
2021 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 **12:00 PM**
Richmond, VA Time On **March 18, 2021**

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
601 South Belvidere Street
Richmond, Virginia 23220-6500

INSTRUCTIONS FOR THE VIRGINIA 2021 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 **12:00 PM** Richmond Virginia time on **March 18, 2021**. 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:

Virginia Housing only accepts files via our work center sites on Procorem. Contact TaxCreditApps@virginiahousing.com for access to Procorem or for the creation of a new deal workcenter. Do not submit any application materials to any email address unless specifically requested by the Virginia Housing LIHTC Allocation Department staff.

Disclaimer:

Virginia Housing 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 Virginia Housing.

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 Virginia Housing LIHTC Allocation Department. Please note that we cannot release the copy protection password.

Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	johndavid.bondurant@virginiahousing.com	(804) 343-5725
Sheila Stone	sheila.stone@virginiahousing.com	(804) 343-5582
Stephanie Flanders	stephanie.flanders@virginiahousing.com	(804) 343-5939
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TABLE OF CONTENTS

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

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

2021 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 Virginia Housing's point system of ranking applications, and may assist Virginia Housing 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 and Unit by Unit writeup **(MANDATORY)**
- Electronic Copy of the Specifications **(MANDATORY)**
- Electronic Copy of the Existing Condition questionnaire **(MANDATORY if Rehab)**
- Electronic Copy of the Physical Needs Assessment **(MANDATORY at reservation for a 4% rehab request)**
- 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 and Developer Fee Agreement **(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: 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 Virginia Housing:
 -Nonprofit Articles of Incorporation -IRS Documentation of Nonprofit Status
 -Joint Venture Agreement (if applicable) -For-profit Consulting Agreement (if applicable)
- Tab J: Relocation Plan and Unit Delivery Schedule **(MANDATORY)**
- 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: Internet Safety Plan and Resident Information Form (if internet amenities selected)
- Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504
- Tab Y: Inducement Resolution for Tax Exempt Bonds

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 9/30/2021

1. Development Name: Newport Gardens

2. Address (line 1): 603 W 36th Street
Address (line 2):
City: Norfolk State: VA Zip: 23508

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 Norfolk City

5. The site overlaps one or more jurisdictional boundaries..... FALSE If true, what other City/County is the site located in besides response to #4?.....

6. Development is located in the census tract of: 27.00

7. Development is located in a Qualified Census Tract..... TRUE

8. Development is located in a Difficult Development Area..... FALSE

9. Development is located in a Revitalization Area based on QCT TRUE

10. Development is located in a Revitalization Area designated by resolution FALSE

11. Development is located in an Opportunity Zone (with a binding commitment for funding)..... FALSE

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

Table with 3 columns: Poverty Rate (3%, 10%, 12%), all marked FALSE.

Enter only Numeric Values below:

13. Congressional District: 3
Planning District: 23
State Senate District: 6
State House District: 89

Click on the following link for assistance in determining the districts related to this development:

Link to Virginia Housing'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

Newport Gardens is a proposed energy efficient, high-quality affordable apartment community located in the Park Place Community of Norfolk, VA. The proposed development is in close proximity to employment centers like Old Dominion University and Sentara Hospital. The development will have many energy and water efficient features. The development will be made up of 37 one-bedroom apartments and 13 two-bedroom apartments.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

9/30/2021

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: Larry "Chip" Filer
 Chief Executive Officer's Title: City Manager Phone: (757) 664-4242
 Street Address: 810 Union Street Suite 1101
 City: Norfolk State: VA Zip: 23510

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Jared Chalk, Director of Economic Development

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

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

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

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

B. RESERVATION REQUEST INFORMATION

1. Requesting Credits From:

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

or

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

For Tax Exempt Bonds, where are bonds being issued?

ACTION: Provide Inducement Resolution at **TAB Y** (if available)

Skip to Number 4 below.

2. Type(s) of Allocation/Allocation Year

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2021.

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, 2021, 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 2021 credits pursuant to Section 42(h)(1)(E).

3. Select Building Allocation type:

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

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

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

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)

Name of companion development:

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

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?

Total Units within 4% Tax Exempt allocation Request?

Total Units:

% of units in 4% Tax Exempt Allocation Request:

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:

Definition of selection:

Development will be subject to an extended use agreement of 35 additional years after the 15-year compliance period for a total of 50 years.

C. OWNERSHIP INFORMATION

NOTE: Virginia Housing 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 Virginia Housing 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: Newport Manor LLC

Developer Name: The Hanson Company, LLC

Contact: M/M ▶ Mr. First: Kelvin MI: Last: Hanson

Address: 927 Hull Street

City: Richmond St. ▶ VA Zip: 23224

Phone: (804) 325-3798 Ext. Fax:

Email address: kgh@thehansonco.com

Federal I.D. No. 472918200 (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.
Tarvaris McCoy, tjmccoy@therealmccoycos.com 804.325.4145

- ACTION:** a. Provide Owner's organizational documents (e.g. Partnership agreements and Developer Fee agreement) (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.

Names **	Phone	Type Ownership	% Ownership
<u>The Hanson Company, L.L.C.</u>	<u>(804) 325-3798</u>	<u>Managing Member</u>	<u>1.000%</u>
<u>Kelvin G. Hanson</u>	<u>(804) 325-3798</u>	<u>Principal</u>	<u>0.000%</u> <i>needs</i>
<u>Kelvin G. Hanson</u>	<u>(804) 325-3798</u>	<u>Investment Member</u>	<u>99.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>
<u></u>	<u></u>	<u></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. **FALSE**

Action: Must be included on Virginia Housing 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 Virginia Housing 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 Virginia Housing 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):

Select Type: Purchase Contract

Expiration Date: 1/30/2022

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 Virginia Housing. See QAP for further details.

ACTION: Provide documentation and most recent real estate tax assessment - **Mandatory TAB E**

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..... 12/31/2022 .

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 Norfolk

Address: 810 Union Street

City: Norfolk St.: VA Zip: 23510

Contact Person: Jared Chalk Phone: (757) 664-4105

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.)

<u>Names</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

E. DEVELOPMENT TEAM INFORMATION

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

1. Tax Attorney:	Peter Hernderer	This is a Related Entity.	TRUE
Firm Name:	McCandish Holton PC		
Address:			
Email:	phernderer@lawmh.com	Phone:	
2. Tax Accountant:	Mike Vicars	This is a Related Entity.	FALSE
Firm Name:	Dooley and Vicars		
Address:			
Email:	mike@dvpas.com	Phone:	
3. Consultant:	Tarvaris J. McCoy	This is a Related Entity.	FALSE
Firm Name:	The Real McCoy Companies	Role:	Development Consultant
Address:			
Email:	tjmccoy@therealmccoycos.com	Phone:	
4. Management Entity:	Kelvin Hanson	This is a Related Entity.	TRUE
Firm Name:	Full Occupancy LLC		
Address:			
Email:	kgh@thehansonco.com	Phone:	
5. Contractor:		This is a Related Entity.	FALSE
Firm Name:			
Address:			
Email:		Phone:	
6. Architect:	Walter Parks	This is a Related Entity.	FALSE
Firm Name:	Walter Parks Architects PC		
Address:			
Email:	walter@wparks.com	Phone:	
7. Real Estate Attorney:	Peter Hernderer	This is a Related Entity.	FALSE
Firm Name:	McCandish Holton PC		
Address:			
Email:	phernderer@lawmh.com	Phone:	
8. Mortgage Banker:	Costa Casanavos	This is a Related Entity.	FALSE
Firm Name:	Berkadia		
Address:			
Email:	costa.canavos@berkadia.com	Phone:	
9. Other:		This is a Related Entity.	FALSE
Firm Name:		Role:	
Address:			
Email:		Phone:	

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 Virginia Housing 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 Virginia Housing 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:

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

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

A. Nonprofit Involvement (All Applicants)

There is nonprofit involvement in this development..... FALSE (If false, go on to #3.)

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

B. Type of involvement:

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

or

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

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: [Yellow box]

Name: [Yellow box] (Please fit NP name within available space)

Contact Person: [Yellow box]

Street Address: [Yellow box]

City: [Yellow box] State: [Yellow box] Zip: [Yellow box]

Phone: [Yellow box] Extension: [Yellow box] Contact Email: [Yellow box]

G. NONPROFIT INVOLVEMENT

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

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

0.0%

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

A. **FALSE**

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

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

Name of qualified nonprofit:

**or indicate true if Local Housing Authority
Name of Local Housing Authority**

FALSE

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.

Do not select if extended compliance is selected on Request Info Tab

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

NOTE: Applicant waives the right to pursue a Qualified Contract.

H. STRUCTURE AND UNITS INFORMATION

1. General Information

a. Total number of all units in development	50	bedrooms	63
Total number of rental units in development	50	bedrooms	63
Number of low-income rental units	50	bedrooms	63
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	50	bedrooms	63
Number of adaptive reuse units:	0	bedrooms	0
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.....			38,763.81 (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			1,621.23 (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			37,142.58 (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			100.00%
i. Exact area of site in acres	1.800		
j. Locality has approved a final site plan or plan of development.....			TRUE
If True , Provide required documentation (TAB O).			
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	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	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	651.53	SF	37	37
2BR Garden	1002.78	SF	13	13
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
			50	50

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:..... 0 years
- c. Number of stories:..... 4

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

e. Commercial Area Intended Use: _____

f. Development 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	FALSE	v. Detached Single-family	FALSE
ii. Garden Apartments	TRUE	vi. Detached Two-family	FALSE
iii. Slab on Grade	TRUE	vii. Basement	FALSE
iv. Crawl space	FALSE		

h. Development contains an elevator(s).	TRUE
If true, # of Elevators.	1
Elevator Type (if known)	

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

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities: laundry room, fitness room

m. Number of Proposed Parking Spaces.....	50
Parking is shared with another entity	FALSE

n. Development located within 1/2 mile of an existing commuter rail, light rail or subway station or 1/4 mile from existing public bus stop. **TRUE**

If **True**, Provide required documentation (**TAB K3**).

H. STRUCTURE AND UNITS INFORMATION

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 Virginia Housing'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	0.50%
Project Wide Capture Rate - Market Units	
Project Wide Capture Rate - All Units	0.50%
Project Wide Absorption Period (Months)	9

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 RESNET rater certification (**TAB F**)

ACTION: Provide Internet Safety Plan and Resident Information Form (Tab W) if options selected below.

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

**New
Constr.**

- TRUE** a. A community/meeting room with a minimum of 749 square feet is provided.
- 35.00%** 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).
- TRUE** d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products.
- TRUE** e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.
- FALSE** f. Free WiFi access will be provided in community room for resident only usage.
- FALSE** g. Each unit is provided free individual high speed internet access.
- or
- FALSE** h. Each unit is provided free individual WiFi access.
- 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.
- FALSE** 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
- FALSE** n. All Construction types: each unit is equipped with a permanent dehumidification system.
- FALSE** o. All interior doors within units are solid core.
- FALSE** p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port.
- TRUE** q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- FALSE** r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.

J. ENHANCEMENTS

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.

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:

FALSE 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)

FALSE a. Architect of record certifies that units will be constructed to meet Virginia Housing's Universal Design Standards.

0 b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards:
0% of Total Rental Units

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

If not, please explain:

[Redacted area]

 **Architect of Record initial here that the above information is accurate per certification statement within this application.**

I. UTILITIES

1. Utilities Types:

- a. Heating Type
- b. Cooking Type
- c. AC Type
- d. Hot Water Type

2. Indicate True if the following services will be included in Rent:

- | | | | |
|-----------------|------------------------------------|----------------------|------------------------------------|
| Water?..... | <input type="text" value="FALSE"/> | Heat?..... | <input type="text" value="FALSE"/> |
| Hot Water?..... | <input type="text" value="FALSE"/> | AC?..... | <input type="text" value="FALSE"/> |
| Lighting?..... | <input type="text" value="FALSE"/> | Sewer?..... | <input type="text" value="FALSE"/> |
| Cooking? | <input type="text" value="FALSE"/> | Trash Removal? | <input type="text" value="FALSE"/> |

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	6	8	0	0
Air Conditioning	0	7	10	0	0
Cooking	0	5	6	0	0
Lighting	0	10	13	0	0
Hot Water	0	13	17	0	0
Water	0	19	21	0	0
Sewer	0	0	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$60	\$75	\$0	\$0

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

- a. HUD
- b. Utility Company (Estimate)
- c. Utility Company (Actual Survey)
- d. Local PHA
- e. Other:

Warning: The Virginia Housing housing choice voucher program utility schedule shown on VirginiaHousing.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**)

FALSE

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 requirements of section 504 of the Rehabilitation Act.

 **Architect of Record initial here that the above information is accurate per certification statement within this application.**

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
- FALSE Supportive Housing (as described in the Tax Credit Manual)

Action: Provide Permanent Supportive Housing Certification (**Tab S**)

b. The development has existing tenants and a relocation plan has been developed..... FALSE

(If **True**, Virginia Housing 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 and Unit Delivery Schedule (**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 waiting list:

Contact person:

Title:

Phone Number:

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:
% of total Low Income Units

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

K. SPECIAL HOUSING NEEDS

3. Target Population Leasing Preference

Unless prohibited by an applicable federal subsidy program, each applicant shall commit to provide a leasing preference to individuals (i) in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth, (ii) having a voucher or other binding commitment for rental assistance from the Commonwealth, and (iii) referred to the development by a referring agent approved by the Authority. The leasing preference shall not be applied to more than ten percent (10%) of the units in the development at any given time. The applicant may not impose tenant selection criteria or leasing terms with respect to individuals receiving this preference that are more restrictive than the applicant’s tenant selection criteria or leasing terms applicable to prospective tenants in the development that do not receive this preference, the eligibility criteria for the rental assistance from the Commonwealth, or any eligibility criteria contained in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth.

Primary Contact for Target Population leasing preference. The agency will contact as needed.

First Name: Sherry
Last Name: Owens

Phone Number: (757) 756-5600 Email: Sherry.Owens@norfolk.gov

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

TRUE Section 8 Vouchers
*Administering Organization: Norfolk RHA

FALSE State Assistance
*Administering Organization: _____

FALSE Other: _____

K. SPECIAL HOUSING NEEDS

c. The Project Based vouchers above are applicable to the 30% units seeking points.

FALSE

i. If True above, how many of the 30% units will not have project based vouchers?

0

d. Number of units receiving assistance:

8

How many years in rental assistance contract?

20.00

Expiration date of contract:

12/31/2042

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:

Income Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
5	10.00%	40% Area Median	200%
0	0.00%	50% Area Median	0%
40	80.00%	60% Area Median	2400%
0	0.00%	70% Area Median	0%
5	10.00%	80% Area Median	400%
0	0.00%	Market Units	
50	100.00%	Total	60.00%

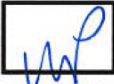
Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
5	10.00%	40% Area Median	200%
0	0.00%	50% Area Median	0%
40	80.00%	60% Area Median	2400%
0	0.00%	70% Area Median	0%
5	10.00%	80% Area Median	400%
0	0.00%	Market Units	
50	100.00%	Total	60.00%

- b. The development plans to utilize average income..... **TRUE**
 If 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.

 Architect of Record initial here that the information below is accurate per certification statement within this application.

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1.5 Bath	60% AMI	3		458.97	\$825.00	\$2,475
Mix 2	1 BR - 1.5 Bath	60% AMI	3		461.32	\$825.00	\$2,475
Mix 3	1 BR - 1.5 Bath	80% AMI	1		461.78	\$825.00	\$825
Mix 4	1 BR - 1.5 Bath	60% AMI	4		470.62	\$825.00	\$3,300
Mix 5	1 BR - 1.5 Bath	60% AMI	3		473.12	\$825.00	\$2,475
Mix 6	1 BR - 1.5 Bath	60% AMI	3		473.61	\$825.00	\$2,475
Mix 7	1 BR - 1.5 Bath	60% AMI	4		475.78	\$825.00	\$3,300
Mix 8	1 BR - 1.5 Bath	40% AMI	3		477.76	\$825.00	\$2,475
Mix 9	1 BR - 1.5 Bath	40% AMI	1		504.18	\$825.00	\$825
Mix 10	1 BR - 1.5 Bath	80% AMI	3		555.80	\$825.00	\$2,475
Mix 11	1 BR - 1.5 Bath	60% AMI	3		570.84	\$825.00	\$2,475
Mix 12	1 BR - 1.5 Bath	60% AMI	3		571.95	\$825.00	\$2,475
Mix 13	1 BR - 1.5 Bath	60% AMI	3		585.36	\$825.00	\$2,475
Mix 14	2 BR - 1.5 Bath	60% AMI	3		760.94	\$995.00	\$2,985

L. UNIT DETAILS

Mix 15	2 BR - 1.5 Bath	60% AMI	3	784.95	\$995.00	\$2,985
Mix 16	2 BR - 1.5 Bath	60% AMI	3	805.51	\$995.00	\$2,985
Mix 17	2 BR - 1.5 Bath	60% AMI	1	808.91	\$995.00	\$995
Mix 18	2 BR - 1.5 Bath	80% AMI	1	808.91	\$995.00	\$995
Mix 19	2 BR - 1.5 Bath	40% AMI	1	808.91	\$995.00	\$995
Mix 20	2 BR - 1.5 Bath	60% AMI	1	832.22	\$995.00	\$995
Mix 21						\$0
Mix 22						\$0
Mix 23						\$0
Mix 24						\$0
Mix 25						\$0
Mix 26						\$0
Mix 27						\$0
Mix 28						\$0
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Mix 63						\$0
Mix 64						\$0
Mix 65						\$0
Mix 66						\$0
Mix 67						\$0
Mix 68						\$0
Mix 69						\$0

L. UNIT DETAILS

Mix 70								\$0
Mix 71								\$0
Mix 72								\$0
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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			50	0				\$43,460

Total Units	50	Net Rentable SF:	TC Units	28,950.90
			MKT Units	0.00
			Total NR SF:	28,950.90

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$3,500
2. Office Salaries			\$0
3. Office Supplies			\$0
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$25,800
<u>5.29%</u> of EGI	<u>\$516.00</u>	Per Unit	
6. Manager Salaries			\$50,000
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$3,500
9. Auditing			\$0
10. Bookkeeping/Accounting Fees			\$3,500
11. Telephone & Answering Service			\$3,500
12. Tax Credit Monitoring Fee			\$1,500
13. Miscellaneous Administrative			\$0
Total Administrative			\$91,300

Utilities

14. Fuel Oil			\$0
15. Electricity			\$10,000
16. Water			\$17,000
17. Gas			\$0
18. Sewer			\$0
Total Utility			\$27,000

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$4,000
22. Exterminating			\$4,000
23. Trash Removal			\$5,000
24. Security Payroll/Contract			\$0
25. Grounds Payroll			\$0
26. Grounds Supplies			\$0
27. Grounds Contract			\$0
28. Maintenance/Repairs Payroll			\$40,000
29. Repairs/Material			\$0
30. Repairs Contract			\$0
31. Elevator Maintenance/Contract			\$0
32. Heating/Cooling Repairs & Maintenance			\$0
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$0
35. Decorating/Payroll/Contract			\$8,000
36. Decorating Supplies			\$0
37. Miscellaneous			\$0
Totals Operating & Maintenance			\$61,000

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$40,000
39. Payroll Taxes	\$11,000
40. Miscellaneous Taxes/Licenses/Permits	\$10,000
41. Property & Liability Insurance	\$8,450
42. Fidelity Bond	\$0
43. Workman's Compensation	\$0
44. Health Insurance & Employee Benefits	\$0
45. Other Insurance	\$0
Total Taxes & Insurance	\$69,450

Total Operating Expense **\$248,750**

Total Operating Expenses Per Unit	<u>\$4,975</u>	C. Total Operating Expenses as % of EGI	<u>50.99%</u>
--	----------------	--	---------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) **\$15,000**

Total Expenses	\$263,750
-----------------------	------------------

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

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract		
b. Site Acquisition	1/14/2022	Kelvin Hanson
c. Zoning Approval	6/15/2014	Kelvin Hanson
d. Site Plan Approval	9/20/2020	Kelvin Hanson
2. Financing		
a. Construction Loan		
i. Loan Application	9/1/2021	Kelvin Hanson
ii. Conditional Commitment	9/15/2021	Kelvin Hanson
iii. Firm Commitment	10/15/2021	Kelvin Hanson
b. Permanent Loan - First Lien		
i. Loan Application	9/1/2021	Kelvin Hanson
ii. Conditional Commitment	9/15/2021	Kelvin Hanson
iii. Firm Commitment	10/15/2021	Kelvin Hanson
c. Permanent Loan-Second Lien		
i. Loan Application	4/30/2021	
ii. Conditional Commitment	7/1/2021	
iii. Firm Commitment	8/15/2021	
d. Other Loans & Grants		
i. Type & Source, List	LISC	Kelvin Hanson
ii. Application	8/1/2021	Kelvin Hanson
iii. Award/Commitment	9/1/2021	Kelvin Hanson
2. Formation of Owner	3/2/2013	Kelvin Hanson
3. IRS Approval of Nonprofit Status		
4. Closing and Transfer of Property to Owner	1/14/2022	Kelvin Hanson
5. Plans and Specifications, Working Drawings	7/1/2020	Kelvin Hanson
6. Building Permit Issued by Local Government	8/15/2021	Kelvin Hanson
7. Start Construction	4/1/2022	Kelvin Hanson
8. Begin Lease-up	6/1/2023	Kelvin Hanson
9. Complete Construction	5/15/2023	Kelvin Hanson
10. Complete Lease-Up	11/20/2023	Kelvin Hanson
11. Credit Placed in Service Date	6/1/2023	Kelvin Hanson

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.

Must Use Whole Numbers Only!	(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"
Item				
1. Contractor Cost				
a. Unit Structures (New)	6,500,000	0	6,500,000	0
b. Unit Structures (Rehab)	0	0	0	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	0	0	0	0
e. Structured Parking Garage	0	0	0	0
Total Structure	6,500,000	0	6,500,000	0
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
h. Roads & Walks	0	0	0	0
i. Site Improvements	0	0	0	0
j. Lawns & Planting	0	0	0	0
k. Engineering	0	0	0	0
l. Off-Site Improvements	0	0	0	0
m. Site Environmental Mitigation	0	0	0	0
n. Demolition	15,000	0	0	0
o. Site Work	0	0	0	0
p. Other Site work	0	0	0	0
Total Land Improvements	15,000	0	0	0
Total Structure and Land	6,515,000	0	6,500,000	0
q. General Requirements	260,000	0	260,000	0
r. Builder's Overhead (4.0% Contract)	260,000	0	260,000	0
s. Builder's Profit (6.0% Contract)	390,900	0	390,900	0
t. Bonds	0	0	0	0
u. Building Permits	0	0	0	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: _____	0	0	0	0
y. Other 2: _____	0	0	0	0
z. Other 3: _____	0	0	0	0
Contractor Costs	\$7,425,900	\$0	\$7,410,900	\$0

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	30,000	0	30,000	0
b. Architecture/Engineering Design Fee \$3,000 /Unit)	150,000	0	150,000	0
c. Architecture Supervision Fee \$900 /Unit)	45,000	0	45,000	0
d. Tap Fees	20,000	0	20,000	0
e. Environmental	5,000	0	5,000	0
f. Soil Borings	5,000	0	5,000	0
g. Green Building (Earthcraft, LEED, etc.)	0	0	0	0
h. Appraisal	5,000	0	5,000	0
i. Market Study	14,000	0	14,000	0
j. Site Engineering / Survey	15,000	0	15,000	0
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	108,000	0	108,000	0
n. Construction Interest (0.0% for 0 months)	100,000	0	100,000	0
o. Taxes During Construction	10,000	0	10,000	0
p. Insurance During Construction	10,000	0	10,000	0
q. Permanent Loan Fee (0.0%)	0	0	0	0
r. Other Permanent Loan Fees	15,000	0	0	0
s. Letter of Credit	55,000	0	55,000	0
t. Cost Certification Fee	0	0	0	0
u. Accounting	15,000	0	15,000	0
v. Title and Recording	10,000	0	10,000	0
w. Legal Fees for Closing	75,000	0	55,000	0
x. Mortgage Banker	54,000	0	54,000	0
y. Tax Credit Fee	36,424			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	50,000	0	50,000	0
ab. Organization Costs		0		0
ac. Operating Reserve	237,000	0	0	0
ad. Contingency	385,000	0	385,000	0
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

(1) Other* specify: consultant	25,000	0	25,000	0
(2) Other* specify: soft cost contingency	30,000	0	30,000	0
(3) Other* specify: lease up reserve	25,000	0	0	0
(4) Other* specify:	0	0	0	0
(5) Other * specify:	0	0	0	0
(6) Other* specify:	0	0	0	0
(7) Other* specify:	0	0	0	0
(8) Other* specify:	0	0	0	0
(9) Other* specify:	0	0	0	0
(10) Other* specify:	0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$1,529,424	\$0	\$1,196,000	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)	\$8,955,324	\$0	\$8,606,900	\$0
3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A)	1,125,000	0	1,125,000	0
4. Owner's Acquisition Costs				
Land	190,000			
Existing Improvements	0	0		
Subtotal 4:	\$190,000	\$0		
5. Total Development Costs Subtotal 1+2+3+4:	\$10,270,324	\$0	\$9,731,900	\$0

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

(Provide documentation at Tab E)

\$0	Land
\$0	Building

Maximum Developer Fee: \$1,127,439

Proposed Development's Cost per Sq Foot \$260 **Meets Limits**
 Applicable Cost Limit by Square Foot: \$262

2021 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	10,270,324	0	9,731,900	0

2. Reductions in Eligible Basis

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

3. Total Eligible Basis (1 - 2 above)

0	9,731,900	0
---	-----------	---

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

a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>	2,919,570	0
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	12,651,470	0

5. Applicable Fraction

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

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

0	12,651,470	0
---	------------	---

7. Applicable Percentage

(Beginning in 2021, All Tax Exempt requests should use the standard 4% rate and all 9% requests should use the standard 9% rate.)

0.00%	4.00%	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	\$506,059	\$0
\$506,059 Combined 30% & 70% P. V. Credit		

Q. SOURCES OF FUNDS

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

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

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1. Virginia Housing	12/01/21		\$5,400,000	
2.				
3.				
Total Construction Funding:			\$5,400,000	

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. VA Housing TE			\$1,180,000	\$60,175	3.70%	35.00	18.00
2. VA HTF			\$850,000	\$0	1.50%	1000.00	18.00
3. City of Norfolk			\$167,686	\$0	1.50%	1000.00	18.00
4. FHLB - AHP			\$500,000	\$0	3.00%	1000.00	18.00
5. VA Housing SPARC/REACH			\$2,950,000	\$135,251	2.95%	35.00	18.00
6.							
7.							
8.							
9.							
10.							
Total Permanent Funding:			\$5,647,686	\$195,426			

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.	City of Norfolk		\$167,686
2.			
3.			
4.			
5.			
Total Subsidized Funding			\$167,686

5. Recap of Federal, State, and Local Funds

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

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

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$5,400,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$2,950,000
g.	HOME Funds	\$0
h.	Other: Virginia Housing Trust Fund	\$850,000
i.	Other:	\$0

Market-Rate Loans

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

Grants*

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

Grants

c.	State	
d.	Local	
e.	Other:	

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

Q. SOURCES OF FUNDS

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

For purposes of the 50% Test, and based only on the data entered to this application, the portion of the aggregate basis of buildings and land financed with tax-exempt funds is: **54.43%**

7. Some of the development's financing has credit enhancements..... **FALSE**

If **True**, list which financing and describe the credit enhancement:

[Empty text box for describing credit enhancements]

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. **FALSE** Other [Empty text box]

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

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	\$0				
ii. Contributed Land/Building	\$0				
iii. Deferred Developer Fee	\$169,325	(Note: Deferred Developer Fee cannot be negative.)			
iv. Other:	\$0				
ACTION: If Deferred Developer Fee is greater than 50% of overall Developer Fee, provide a cash flow statement showing payoff within 15 years at TAB A .					
Equity Total	\$169,325				

2. Equity Gap Calculation

a. Total Development Cost	\$10,270,324	
b. Total of Permanent Funding, Grants and Equity	-	\$5,817,011
c. Equity Gap		\$4,453,313
d. Developer Equity	-	\$44,531
e. Equity gap to be funded with low-income tax credit proceeds		\$4,408,782

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	NEF		
Contact Person:	Mark Furey	Phone:	
Street Address:			
City:		State:	
		Zip:	
b. Syndication Equity			
i. Anticipated Annual Credits		\$506,059.00	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		\$0.880	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		99.00000%	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)		\$0	
v. Net credit amount anticipated by user of credits		\$500,998	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		\$4,408,782	
c. Syndication: Private			
d. Investors: Corporate			

4. Net Syndication Amount

Which will be used to pay for Total Development Costs	\$4,408,782
---	-------------

5. Net Equity Factor

Must be equal to or greater than 85%	87.9999199997%
--------------------------------------	----------------

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 Virginia Housing to determine, as required by the IRC, the amount of credits which may be allocated for the development. However, Virginia Housing at all times retains the right to substitute such information and assumptions as are determined by Virginia Housing 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 Virginia Housing for a reservation of credits, the amount of such reservation may differ significantly from the amount you compute below.

1. Total Development Costs		<u>\$10,270,324</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$5,817,011</u>
3. Equals Equity Gap		<u>\$4,453,313</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>87.9999199997%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$5,060,588</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$506,059</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$506,059</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$506,059</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$10,121.1800</u>	
Credit per LI Bedroom	<u>\$8,032.6825</u>	
	Combined 30% & 70% PV Credit Requested	\$506,059

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	\$43,460
Plus Other Income Source (list): <u>laundry</u>	\$250
Equals Total Monthly Income:	\$43,710
Twelve Months	x12
Equals Annual Gross Potential Income	\$524,520
Less Vacancy Allowance <u>7.0%</u>	\$36,716
Equals Annual Effective Gross Income (EGI) - Low Income Units	\$487,804

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

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

3. Cash Flow (First Year)

a. Annual EGI Low-Income Units	\$487,804
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$487,804
d. Total Expenses	\$263,750
e. Net Operating Income	\$224,054
f. Total Annual Debt Service	\$195,426
g. Cash Flow Available for Distribution	\$28,628

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	487,804	497,560	507,511	517,661	528,014
Less Oper. Expenses	263,750	271,663	279,812	288,207	296,853
Net Income	224,054	225,897	227,698	229,454	231,161
Less Debt Service	195,426	195,426	195,426	195,426	195,426
Cash Flow	28,628	30,471	32,272	34,028	35,735
Debt Coverage Ratio	1.15	1.16	1.17	1.17	1.18

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	538,575	549,346	560,333	571,540	582,970
Less Oper. Expenses	305,759	314,931	324,379	334,111	344,134
Net Income	232,816	234,415	235,954	237,429	238,837
Less Debt Service	195,426	195,426	195,426	195,426	195,426
Cash Flow	37,390	38,989	40,528	42,003	43,411
Debt Coverage Ratio	1.19	1.20	1.21	1.21	1.22

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	594,630	606,522	618,653	631,026	643,646
Less Oper. Expenses	354,458	365,092	376,044	387,326	398,946
Net Income	240,172	241,431	242,608	243,700	244,701
Less Debt Service	195,426	195,426	195,426	195,426	195,426
Cash Flow	44,746	46,005	47,182	48,274	49,275
Debt Coverage Ratio	1.23	1.24	1.24	1.25	1.25

Estimated Annual Percentage Increase in Revenue 2.00% (Must be \leq 2%)
 Estimated Annual Percentage Increase in Expenses 3.00% (Must be \geq 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.	1.	50		W 36 Street		Norfolk	VA	23508					\$0	\$12,651,470			100.00%	\$12,651,470					\$0		
2.																								\$0	
3.																									\$0
4.																									\$0
5.																									\$0
6.																									\$0
7.																									\$0
8.																									\$0
9.																									\$0
10.																									\$0
11.																									\$0
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29.																									\$0
30.																									\$0
31.																									\$0
32.																									\$0
33.																									\$0
34.																									\$0
35.																									\$0

50 0

Totals from all buildings

\$0

\$12,651,470

\$0

\$0

\$12,651,470

\$0

Number of BINS: 1

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

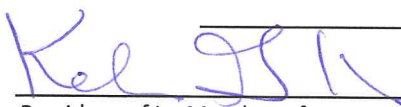
1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless Virginia Housing and its assigns against all losses, costs, damages, Virginia Housing's expenses, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to Virginia Housing'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 Virginia Housing 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 Virginia Housing 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 Virginia Housing 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, Virginia Housing 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 Virginia Housing 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 Virginia Housing 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 Virginia Housing 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 Virginia Housing's inability to process the application. The original or copy of this application may be retained by Virginia Housing, 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: Newport Manor LLC

By: 

Its: President of Its Member of Its Managing Member
(Title)

V. STATEMENT OF ARCHITECT

The architect signing this document is certifying that the development plans and specifications incorporate all Virginia Housing Minimum Design and Construction Requirements (MDCR), selected LIHTC enhancements and amenities, applicable building codes and accessibility requirements.

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 Architect:	Walter Parks
Virginia License#:	
Architecture Firm or Company:	Walter Parks Architects

By: 

Its: PRESIDENT
(Title)

Initials by Architect are also required on the following Tabs: Enhancement, Special Housing Needs and Unit Details.

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 Virginia Housing'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. Virginia Housing reserves the right to change application data and/or score sheet responses where appropriate, which may change the final score.

MANDATORY ITEMS:

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

1. READINESS:

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

2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	Y	0 or up to 5	4.20
b. Existing RD, HUD Section 8 or 236 program	N	0 or 20	0.00
c. Subsidized funding commitments	1.63%	Up to 40	3.27
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	Y	0 or 10	10.00
f. Census tract with <12% poverty rate	0%	0, 20, 25 or 30	0.00
g. Development listed on the Rural Development Rehab Priority List	N	0 or 15	0.00
h. Dev. located in area with little or no increase in rent burdened population	N	Up to -20	0.00
i. Dev. located in area with increasing rent burdened population	Y	Up to 20	20.00
Total:			37.47

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			26.50
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 60	0.00
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	N	0 or 10	0.00
g. Units constructed to meet Virginia Housing's Universal Design standards	0%	Up to 15	0.00
h. Developments with less than 100 units	Y	up to 20	20.00
i. Historic Structure	N	0 or 5	0.00
Total:			<u>56.50</u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$82,500	\$62,300

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)	10.00%	Up to 10	10.00
e. Units with rent and income at or below 50% of AMI	10.00%	Up to 50	10.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	10.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	10.00%	Up to 50	0.00
Total:			<u>20.00</u>

5. SPONSOR CHARACTERISTICS:

a. Developer experience - 3 developments with 3 x units or 6 developments with 1 x units	N	0 or 50	0.00
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 Virginia Housing	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>0.00</u>

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	100.05
b. Cost per unit		Up to 100	12.12
Total:			<u>112.17</u>

7. BONUS POINTS:

a. Extended compliance	35 Years	40 or 50	50.00
or b. Nonprofit or LHA purchase option	N	0 or 60	0.00
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>50.00</u>

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

TOTAL SCORE: **326.14**

Enhancements:

All units have:	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	25	12.50
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	3.00
e. Infrastructure for high speed internet/broadband	1	1.00
f. Free WiFi Access in community room	4	0.00
g. Each unit provided free individual high speed internet access	6	0.00
h. Each unit provided free individual WiFi	8	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	3.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	0.00
l. Cooking surfaces equipped with fire suppression features	2	0.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	0.00
o. All interior doors within units are solid core	3	0.00
p. USB in kitchen, living room and all bedrooms	1	0.00
q. LED Kitchen Light Fixtures	2	2.00
r. Shelf or Ledge at entrance within interior hallway	2	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>26.50</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>26.50</u>

X. Development Summary

Summary Information 2021 Low-Income Housing Tax Credit Application For Reservation

Deal Name:	Newport Gardens
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Cycle Type: 4% Tax Exempt Bonds Credits **Requested Credit Amount:** \$506,059
Allocation Type: N/A **Jurisdiction:** Norfolk City
Total Units: 50 **Population Target:** General
Total LI Units: 50
Project Gross Sq Ft: 38,763.81 **Owner Contact:** Kelvin Hanson
Green Certified? FALSE

Total Score
326.14

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$5,647,686	\$112,954	\$146	\$195,426

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$6,515,000	\$130,300	\$168	63.44%
General Req/Overhead/Profit	\$910,900	\$18,218	\$23	8.87%
Other Contract Costs	\$0	\$0	\$0	0.00%
Owner Costs	\$1,529,424	\$30,588	\$39	14.89%
Acquisition	\$190,000	\$3,800	\$5	1.85%
Developer Fee	\$1,125,000	\$22,500	\$29	10.95%
Total Uses	\$10,270,324	\$205,406		

Total Development Costs	
Total Improvements	\$8,955,324
Land Acquisition	\$190,000
Developer Fee	\$1,125,000
Total Development Costs	\$10,270,324

Income		
Gross Potential Income - LI Units		\$524,520
Gross Potential Income - Mkt Units		\$0
Subtotal		\$524,520
Less Vacancy %	7.00%	\$36,716
Effective Gross Income		\$487,804

Proposed Cost Limit/Sq Ft: \$260
Applicable Cost Limit/Sq Ft: \$262

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	37
# of 2BR	13
# of 3BR	0
# of 4+ BR	0
Total Units	50

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$91,300	\$1,826
Utilities	\$27,000	\$540
Operating & Maintenance	\$61,000	\$1,220
Taxes & Insurance	\$69,450	\$1,389
Total Operating Expenses	\$248,750	\$4,975
Replacement Reserves	\$15,000	\$300
Total Expenses	\$263,750	\$5,275

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	5	5
50% AMI	0	0
60% AMI	40	40
>60% AMI	5	5
Market	0	0

Cash Flow	
EGI	\$487,804
Total Expenses	\$263,750
Net Income	\$224,054
Debt Service	\$195,426
Debt Coverage Ratio (YR1):	1.15

Income Averaging? TRUE

Extended Use Restriction? 50

2021 Low-Income Housing Tax Credit Application For Reservation

Virginia Housing is running a BETA test of new EUR calculations that will be considered for implementation in 2022. These points are only a test and will not be used for scoring purposes in 2021. Please contact taxcreditapps@virginiahousing.com with questions or comments.

Credit Points:

If the Combined Max Allowable is \$500,000 and the annual credit requested is \$200,000, you are providing a 60% savings for the program. This deal would receive all 200 credit points.

For another example, the annual credit requested is \$300,000 or a 40% savings for the program. Using a sliding scale, the credit points would be calculated by the difference between your savings and the desired 60% savings. Your savings divided by the goal of 60% times the max points of 200. In this example, $(40\%/60\%) \times 200$ or 133.33 points.

Using Current E-U-R method (up to 200)		100.05
Using proposed method:		
Combined Max	\$506,059	
Credit Requested	\$506,059	
% of Savings	0.00%	
Sliding Scale Points		0
<i>Difference</i>		-100.05

Cost Points:

If the Applicable Cost by Square foot is \$238 and the deal’s Proposed Cost by Square Foot was \$119, you are saving 50% of the applicable cost. This deal would receive all 100 credit points.

For another example, the Applicable Cost by SqFt is \$238 and the deal’s Proposed Cost is \$153.04 or a savings of 35.70%. Using a sliding scale, your points would be calculated by the difference between your savings and the desired 50% savings. Your savings divided by the goal of 50% times the max points 100. In this example, $(35.7\%/50\%) \times 100$ or 71.40 points.

Using Current E-U-R method (up to 100)		12.12
Using proposed method:		
Total Costs Less Acquisition	\$10,080,324	
Total Square Feet	38,763.81	
Proposed Cost per SqFt	\$260.04	
Applicable Cost Limit per Sq Ft	\$262.00	
% of Savings	0.75%	
Sliding Scale Points		1.50
<i>Difference</i>		-10.62

\$/SF = **\$264.48** Credits/SF = **13.6247** Const \$/unit = **\$148,518.0000**

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
500
1

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	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
CREDIT PER UNIT POINTS	0.00	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	651.53	1,002.78	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	37	13	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	203,951	271,935	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	203,951	271,935	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	203,951	271,935	0	0	0	0	0
PROJECT COST PER UNIT	0	172,314	265,211	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	18,696	23,940	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	18,696	23,940	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	18,696	23,940	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	8,877	13,663	0	0	0	0	0
COST PER UNIT POINTS	0.00	11.48	0.64	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	77.73	22.32	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **12.12**

TOTAL CREDIT PER UNIT POINTS **100.05**

Cost Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	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	0	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	0	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	0	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 BR-TH
Standard Parameter - low rise	0	203,951	271,935	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	203,951	271,935	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 BR-TH
Standard Credit Parameter - low rise	0	18,696	23,940	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	18,696	23,940	0	0	0	0	0

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

Cost Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	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	0	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	0	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	0	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 BR-TH
Standard Cost Parameter - low rise	0	203,951	271,935	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	203,951	271,935	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 BR-TH
Standard Cost Parameter - low rise	0	18,696	23,940	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	18,696	23,940	0	0	0	0	0

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\$/SF = **\$264.48** Credits/SF = **13.6247** Const \$/unit = **\$148,518.00**

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*(10,000-35,000)=4

11000
500
1

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	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
CREDIT PER UNIT POINTS	0.00	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
AVG UNIT SIZE	0.00	651.53	1,002.78	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	37	13	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	203,951	271,935	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	203,951	271,935	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	203,951	271,935	0	0	0	0	0
PROJECT COST PER UNIT	0	172,314	265,211	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	18,696	23,940	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	18,696	23,940	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	18,696	23,940	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	8,877	13,663	0	0	0	0	0
COST PER UNIT POINTS	0.00	11.48	0.64	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	77.73	22.32	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **12.12**

TOTAL CREDIT PER UNIT POINTS **100.05**

Cost Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	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	0	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	0	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	0	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 BR-TH
Standard Parameter - low rise	0	203,951	271,935	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	203,951	271,935	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 BR-TH
Standard Credit Parameter - low rise	0	18,696	23,940	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	18,696	23,940	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	0	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	0	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	0	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	0	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 BR-TH
Standard Cost Parameter - low rise	0	203,951	271,935	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	203,951	271,935	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 BR-TH
Standard Cost Parameter - low rise	0	18,696	23,940	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	18,696	23,940	0	0	0	0	0

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A

Partnership or Operating Agreement

Including **chart of ownership structure with percentage of interests** and **draft developer fee agreement**
(MANDATORY)

OPERATING AGREEMENT
OF
NEWPORT MANOR, LLC,
A VIRGINIA LIMITED LIABILITY COMPANY

Dated as of February 9, 2015

**OPERATING AGREEMENT
OF
NEWPORT MANOR, LLC**

THIS OPERATING AGREEMENT (this "Agreement"), dated as of February 9, 2015, by and among The Hanson Company, L.L.C., a Virginia limited liability company, and Kelvin G. Hanson, an individual and resident of the Commonwealth of Virginia, provides as follows:

RECITALS:

1. **FORMATION.** Newport Manor, LLC (the "Company") was formed as a Virginia limited liability company under the provisions of Chapter 12 of Title 13.1 of the Code of Virginia of 1950, as amended (the "Act"), pursuant to the Articles of Organization dated January 27, 2015 (the "Articles"). A certificate of organization was issued by the State Corporation Commission of Virginia with respect to the Articles on February 9, 2015.
2. **NAME AND PLACE OF BUSINESS.** The business of the Company shall be conducted under the name of Newport Manor, LLC. The principal office of the Company in Virginia shall be 927 Hull Street, Richmond, Virginia 23224. The principal office of the Company may be changed by the Members at any time and from time to time, in their discretion.
3. **PURPOSES.** The principal purpose of the Company is to acquire certain land and improvements thereon located in the City of Norfolk, Virginia, commonly known as 603-605 West 36th Street (the "Property"), and to own, develop and rehabilitate the Property and to maintain and operate thereon a multifamily apartment and commercial complex (the "Apartment and Commercial Complex"). The company may engage in any other lawful business as determined from time to time by the Members.
4. **MEMBERS.** The members of the Company shall be The Hanson Company, L.L.C., a Virginia limited liability company, and Kelvin G. Hanson, an individual and resident of the Commonwealth of Virginia (collectively, the "Members"), each of whom has an address of 927 Hull Street, Richmond, Virginia 23224.
5. **MEMBERS' CAPITAL CONTRIBUTIONS.** Upon execution of this Agreement, the Members shall make the capital contributions set forth beside their names on Exhibit A attached hereto as their initial capital contributions in exchange for their membership interests in the Company. Members shall not be required to make any further capital contributions, except as required in writing by the Members owning a majority of the membership interests.
6. **VOTING POWERS, MEETINGS, ETC. OF MEMBERS.**

6.01 In General. The Members shall not be entitled to participate in the day-to-day affairs and management of the Company, but instead, the Members' right to vote or otherwise participate with respect to matters relating to the Company shall be limited to those matters as to which the express terms of the Act, the Articles, or this Operating Agreement vest in the Members the right to so vote or otherwise participate.

6.02 Actions Requiring Approval of Members.

(a) Notwithstanding any other provision of this Operating Agreement, the approval of the Members shall be required in order for any of the following actions to be taken on behalf of the Company:

(1) Amending the Articles in any manner that materially alters the preferences, privileges or relative rights of the Members.

(2) Electing the Managers as provided in Article 7 hereof.

(3) Taking any action that would make it impossible to carry on the ordinary business of the Company.

(4) Confessing a judgment against the Company in excess of \$25,000.

(5) Filing or consenting to filing a petition for or against the Company under any federal or state bankruptcy, insolvency or reorganization act.

(6) Loaning Company funds in excess of \$25,000, or for a term in excess of one year, to any Member.

(b) Unless the express terms of this Operating Agreement specifically provide otherwise, the affirmative vote of a majority of the voting membership interests shall be necessary and sufficient in order to approve or consent to any of the matters set forth in Section 6.02(a) above or any other matters in this Operating Agreement that require the approval or consent of the Members.

6.03 Action by Members. In exercising their rights as provided above, the Members shall act collectively through meetings and/or written consents as provided in this Article.

6.04 Annual Meetings. The Members shall meet annually in the first Tuesday in January at 4:00 p.m. or at such other time as shall be determined by the Managers, or if there are no Managers, by the Members, for the purpose of the transaction of such business as may come properly before the meeting.

6.05 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Managers, and shall be called by the Managers at the request of any Member.

6.06 Action by Written Consent. 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 the Members who are entitled to vote on the matter set forth in the consents and who constitute the requisite Voting Membership Interests necessary for adoption or approval of such matter on behalf of the Company. By way of example and not limitation, a majority of the Voting Membership Interests may take action as to any matter specified in Section 6.02 hereof by signing one or more written consents approving such action, without obtaining signed written consents from any other Members. Such consent or consents shall be filed with the minutes of the meetings of the Members. Action taken under this Section 6.06 shall be effective when the requisite Members have signed the consent or consents, unless the consent or consents specify a different effective date.

7. MANAGERS.

7.01 Powers of Manager. Except as expressly provided otherwise in the Act, the Articles or this Operating Agreement, the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed by, one or more Managers. The powers so exercised shall include but not be limited to the following:

(a) Entering into, making and performing contracts, agreements and other undertakings binding the Company that may be necessary, appropriate or advisable in furtherance of the purposes of the Company.

(b) Opening and maintaining bank accounts, investment accounts and other arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements. Company funds shall not be commingled with funds from other sources and shall be used solely for the business of the Company.

(c) Collecting funds due to the Company.

(d) Acquiring, utilizing for the Company's purposes, maintaining and disposing of any assets of the Company.

(e) To the extent that funds of the Company are available therefor, paying debts and obligations of the Company.

(f) Borrowing money or otherwise committing the credit of the Company for Company activities, and voluntarily prepaying or extending any such borrowings.

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

(h) Making elections available to the Company under the Code.

(i) Obtaining general liability, property and other insurance for the Company, as the Managers deem proper.

(j) Taking such actions as may be directed by the Members in furtherance of their approval of any matter set forth in Section 6.02 hereof.

(k) Doing and performing all such things and executing, acknowledging and delivering 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.

7.02 Election of Managers. The Members hereby unanimously elect The Hanson Company, L.L.C., to serve as Manager of the Company, to serve until his successor shall be duly elected and qualify.

7.03 Action by One Manager When There are Two or More Managers. Unless otherwise expressly provided by the Act, the Articles, or the terms of this Operating Agreement, when there are two or more Managers elected by the Members, any one of the Managers may act on behalf of the Company to exercise any of the powers of a Manager conferred by Section 7.01 hereof. Notwithstanding the foregoing, when a Manager has so acted on behalf of the Company, he or she must provide notice of his or her action on behalf of the Company to every other duly elected Manager.

7.04 Single Manager. If at any time there is only one person serving as a Manager, such Manager shall be entitled to exercise all powers of the Managers set forth in this Section, and all references in this Section and otherwise in this Operating Agreement to "Managers" shall be deemed to refer to such single Manager.

7.05 Reliance by Other Persons. Any person dealing with the Company, other than a Member, may rely on the authority of a particular Manager or Managers in taking any action in the name of the Company, if such Manager or Managers provide to such person a copy of the applicable provision of this Operating Agreement and/or the resolution or written consent of the Managers or Members granting such authority, certified in writing by such Manager or Managers to be genuine and correct and not to have been revoked, superseded or otherwise amended.

7.06 Manager's Expenses and Fees. A Manager shall be entitled, but not required, to receive a reasonable salary for services rendered on behalf of the Company

or in his capacity as a Manager. The amount of such salary shall be determined by the Managers and consented to by the Members, which consent shall not be unreasonably withheld. The Company shall reimburse any Manager for reasonable out-of-pocket expenses which were or are incurred by the Manager on behalf of the Company with respect to the start-up or operation of the Company, the on-going conduct of the Company's business, or the dissolution and winding up of the Company and its business.

7.07 Indemnification. The Company shall indemnify each Manager, whether serving the Company or, at its request, any other Entity, to the full extent permitted by the Act. The foregoing rights of indemnification shall not be exclusive of any other rights to which the Managers may be entitled. The Managers may, upon the approval of the Members, take such action as is necessary to carry out these indemnification provisions and may adopt, approve and amend from time to time such resolutions or contracts implementing such provisions or such further indemnification arrangements as may be permitted by law.

7.08 Liability of Managers. So long as the Managers act in good faith with respect to the conduct of the business and affairs of the Company, no Manager shall be liable or accountable to the Company or to any of the Members, in damages or otherwise, for any error or judgment, for any mistake of fact or of law, or for any other act or thing which he may do or refrain from doing in connection with the business and affairs of the Company, except for willful misconduct or gross negligence or breach of fiduciary duty, and further except for breaches of contractual obligations or agreements between the Managers and the Company.

8. GOVERNING LAW. This Agreement, and the interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Virginia, without reference to choice of law provisions.

9. BOOKS AND RECORDS. The Members shall, at the Company's sole cost and expense, keep adequate books of account of the Company wherein shall be recorded and reflected, in accordance with generally accepted accounting principles, all of the Capital Contributions and all of the income, expenses and transactions of the Company and a list of the names and addresses, and interests held by the Members and any additional members in alphabetical order. All funds of the Company shall be deposited in a separate bank account or accounts as shall be determined by the Manager. All withdrawals therefrom shall be made upon checks signed by any Manager of the Company.

10. AMENDMENTS. Any amendment to this Agreement shall be effective only if approved in writing by the Members.

11. FULL AUTHORITY. Each of the parties and signatories to this Agreement has the full right, power, legal capacity and authority to enter into and perform the

parties' respective obligations hereunder, and no approvals or consents of any other person are necessary in connection herewith.

IN WITNESS WHEREOF, the undersigned, being the Members of the Company, hereby agree, acknowledge, and certify that the foregoing Operating Agreement constitutes the entire Operating Agreement of the Company, adopted as of the date first hereinabove mentioned.

Members:

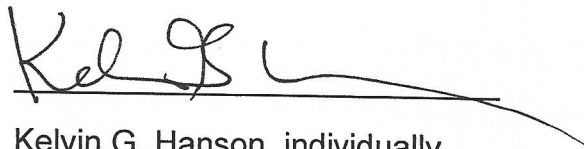
THE HANSON COMPANY, L.L.C.,

a Virginia limited liability company

By: 

Kelvin G. Hanson, its Manager

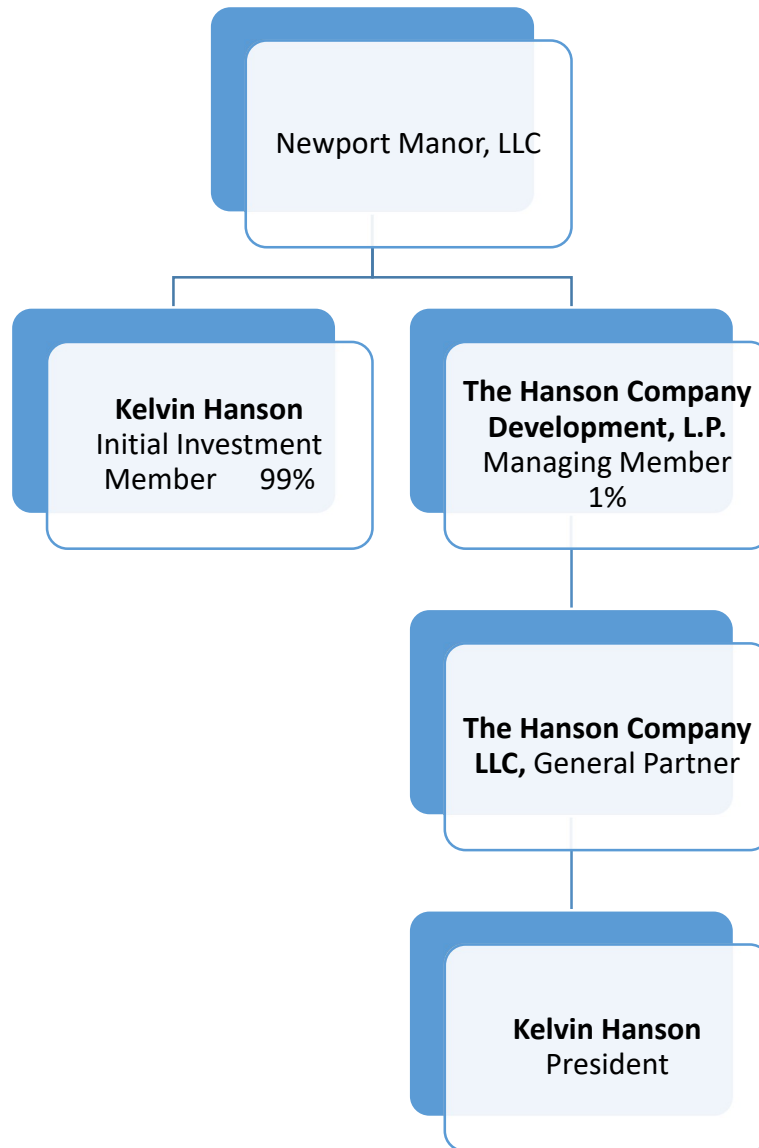
KELVIN G. HANSON, an individual and resident of the
Commonwealth of Virginia



Kelvin G. Hanson, individually

EXHIBIT A

<u>Member Name</u>	<u>Capital Contribution</u>	<u>Interest</u>
THE HANDSON COMPANY, L.L.C.	\$1.00	1%
KELVIN G. HANSON	\$99.00	99%



B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



State Corporation Commission

CERTIFICATE OF FACT

I Certify the Following from the Records of the Commission:

That Newport Manor, LLC is duly organized as a Limited Liability Company under the law of the Commonwealth of Virginia;

That the Limited Liability Company was formed on February 9, 2015; and

That the Limited Liability Company is in existence in the Commonwealth of Virginia as of the date set forth below.

That the limited liability company is current in the payment of all registration fees assessed against it by the Commission pursuant to the Virginia Limited Liability Company Act as of the date set forth below.

Nothing more is hereby certified.



Signed and Sealed at Richmond on this Date:

September 30, 2021

A handwritten signature in black ink, appearing to read "Bernard J. Logan".

Bernard J. Logan, Clerk of the Commission



COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

Office of the Clerk

February 9, 2015

JOHANN ARMSTEAD
927 HULL STREET
RICHMOND, VA 23224

RECEIPT

RE: Newport Manor, LLC

ID: S544946 - 9

DCN: 15-01-27-0229

Dear Customer:

This receipt acknowledges payment of \$100.00 to cover the fee for filing articles of organization for a limited liability company with this office.

The effective date of the certificate of organization is February 9, 2015.

If you have any questions, please call (804) 371-9733 or toll-free in Virginia, (866) 722-2551.

Sincerely,

Joel H. Peck
Clerk of the Commission

RECEIPTLC
LLNCD
CIS0336

1502040016

ENTITY NAME: Newport Manor, LLC

Name availability done in:

Initials: _____ Conflict with ID #: _____
eFile: CH _____
CIS: CH _____

ENTITY ID #: _____
DCN #: 150127 0229

CHARTER EXAMINER WORKSHEET

CHARTER / ENTRANCE FEE _____
FILING FEE _____
EXPEDITE FEE(S) _____
TOTAL FEES 100
AMENDMENT OR OTHER INFORMATION: _____

JURISDICTION: _____
SPECIAL EFFECTIVE DATE/TIME _____
INDUSTRY CODE: _____
SEND COPY TO: _____

2015 JAN 27 PM 4:11
SCD-CORPORATIONS
OFFICE

Nick
2/6/15

COPYWORK REQUESTED: _____

CORRESPONDENT: Kelvin Hanson

AMOUNT AVAILABLE FOR COPYWORK: _____

MAIL (804) 399-7070
 CALL
 FAX
 FED EX

55449409

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, FEBRUARY 9, 2015

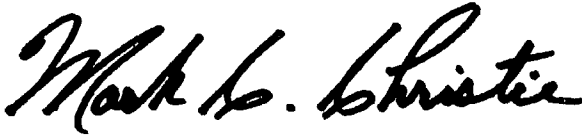
The State Corporation Commission has found the accompanying articles submitted on behalf of
Newport Manor, LLC

to comply with the requirements of law, and confirms payment of all required fees. Therefore, it
is ORDERED that this

CERTIFICATE OF ORGANIZATION

be issued and admitted to record with the articles of organization in the Office of the Clerk of the
Commission, effective February 9, 2015.

STATE CORPORATION COMMISSION

By 

Mark C. Christie
Commissioner



COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

1502040016

LLC-1011
(10/11)

ARTICLES OF ORGANIZATION
OF A VIRGINIA LIMITED LIABILITY COMPANY

Pursuant to Chapter 12 of Title 13.1 of the Code of Virginia the undersigned states as follows:

1. The name of the limited liability company is

Newport Manor, LLC
(The name must contain the words limited company or limited liability company or the abbreviation L.C., LC, L.L.C. or LLC)

2. A. The name of the limited liability company's initial registered agent is

Johan Armstead

B. The initial registered agent is (mark appropriate box):

(1) an INDIVIDUAL who is a resident of Virginia and

- a member or manager of the limited liability company.
- a member or manager of a limited liability company that is a member or manager of the limited liability company.
- an officer or director of a corporation that is a member or manager of the limited liability company.
- a general partner of a general or limited partnership that is a member or manager of the limited liability company.
- a trustee of a trust that is a member or manager of the limited liability company.
- a member of the Virginia State Bar.

OR

(2) a domestic or foreign stock or nonstock corporation, limited liability company or registered limited liability partnership authorized to transact business in Virginia.

3. A. The limited liability company's initial registered office address, including the street and number, if any, which is identical to the business office of the initial registered agent, is

927 Holl street Richmond VA 23224
(number/street) (city or town) (zip)

B. The registered office is located in the county or city of Richmond

4. The limited liability company's principal office address, including the street and number, is

927 Holl Street Richmond VA 23224
(number/street) (city or town) (state) (zip)

Organizer(s):

Kelvin G. Hans 1/27/15
(signature) (date)

Kelvin G. Hans (804) 325-3795 Ext 15
(printed name) (telephone number (optional))

PRIVACY ADVISORY: Information such as social security number, date of birth, maiden name, or financial institution account numbers is NOT required to be included in business entity documents filed with the Office of the Clerk of the Commission. Any information provided on these documents is subject to public viewing.

SEE INSTRUCTIONS ON THE REVERSE

C

Principal's Previous
Participation Certification
(MANDATORY)

O. Previous Participation Certification



Previous Participation Certification

Development Name: Newport Gardens
Name of Applicant (entity): Newport Manor LLC

I hereby certify that:

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

Previous Participation Certification, cont'd

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

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

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


Signature

Kelvin G. Hanson

Printed Name

12/15/2021

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: _____
 Name of Applicant: _____

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 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.
- 3 List only tax credit development experience since 2005 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

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

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
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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:

0 0

#DIV/0!

LIHTC as % of
Total Units

v.01.01.21

E

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

FIFTH AMENDMENT
TO
LAND DISPOSITION AND DEVELOPMENT CONTRACT

THIS FIFTH AMENDMENT (“this Amendment”) to the Land Disposition and Development Contract between the **CITY OF NORFOLK, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (“City”) and **THE HANSON COMPANY, LLC**, a Virginia limited liability company (“Developer”) is entered into this 20th day of September, 2021.

WHEREAS, City and Developer entered into that certain Land Disposition and Development Contract dated November 17, 2014 (“Contract”), which was amended on February 27, 2015, October 30, 2015, June 21, 2016 and July 10, 2019; and

WHEREAS, Developer requested a delay in the development schedule and closing date; now, therefore,

WITNESSETH:

That for and in consideration of the sum of Ten and 00/100 Dollars (\$10.00) cash in hand paid, the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Developer agree to the following amendments to the Contract:

I. The definition of “Outside Closing Date” in article I (m) is amended and shall read as follows:

“(m) “Outside Closing Date” means January 14, 2022.

II. Section 2.9 Construction Schedule is deleted in its entirety and replaced with **Exhibit A – Newport Gardens Project Development Schedule** - attached and incorporated into this Amendment.

III. The first sentence of Section 2.10 is hereby amended and shall read as follows: “Developer shall produce evidence, in form and substance satisfactory to the City, of the Developer’s financial ability to design, construct and equip the Project and to thereafter maintain, operate and lease same (“Financing Commitment”) no later than ninety (90) days from the date on which the City Council authorizes this Fifth Amendment to the LDDC.

IV. The following terms and conditions are added to the provisions of the LDDC:

1. Developer shall work with City staff to maximize the number of two (2) bedroom units in the Project, provided that such work does not impair the Developer’s ability to obtain the Financing Commitment within the ninety (90) day period noted above.
2. The City shall not provide any additional financial assistance to the Project.
3. This Fifth Amendment shall be the final amendment to the LDDC.

V. Except as modified by this Amendment, all other terms and provisions of the Contract and its three previous amendments shall remain in full force and effect.

WITNESS the following signatures and seals as of the date first above written.

CITY:

DocuSigned by:
Larry H. Filer II
C45AA22E7D6047B (SEAL)

Dr. Larry H. Filer II, City Manager

ATTEST:
DocuSigned by:
Richard A. Burt
7585E61B85734CE...
City Clerk

9/27/2021 | 12:49 PM
Date



Approved as to content:

DocuSigned by:
[Signature]
C680CA548142452...

Director of Development

Approved as to Form and Correctness:

DocuSigned by:
[Signature]
A060DEBF3D1404...

Deputy City Attorney

The Hanson Company, LLC,
a Virginia limited liability company

DocuSigned by:
Kelvin Hanson
FDE7F48642BB47D... (SEAL)

Kelvin G. Hanson, Manager

SEEN AND AGREED:

Newport Manor, LLC, a Virginia limited liability company

By: **The Hanson Company Development, LP**,
a Virginia limited partnership, its Manager

By: The Hanson Company, L.L.C., a
Virginia limited liability company, its
General Partner

By: 
Kelvin G. Hanson, Manager

Newport Gardens Project Development Schedule

THC foresees the timeline for the Newport Gardens project following the schedule outlined below. All timing expressed in months after execution of revised development agreement with The City of Norfolk

PRE-DEVELOPMENT

September 1 – September 30

Execute extension of development agreement with City of Norfolk

October 1 – January 1, 2022

Obtain Construction/Permanent Financing Commitment
Close on Acquisition Transfer
Obtain Site Plan approval
Obtain Building Permit

CONSTRUCTION

February 1, 2022 – March 31, 2022

Close VHDA Bonds Construction/Perm
Ground-breaking ceremony.
Start construction of Newport Gardens (50 units).

April 1, 2022- May 30, 2023

Construction of Newport Gardens

May 30, 2023

Obtain Certificate of occupancy
Ribbon cutting celebration.
Begin tenant move in and complete lease-up activities.

**SECOND AMENDMENT
TO LAND DISPOSITION AND DEVELOPMENT CONTRACT**

THIS SECOND AMENDMENT TO LAND DISPOSITION AND DEVELOPMENT CONTRACT (this "Second Amendment"), made effective as of this 30th day of October, 2015, between the CITY OF NORFOLK, VIRGINIA, a municipal corporation of the Commonwealth of Virginia (collectively, the "City") and THE HANSON COMPANY, LLC, a Virginia limited liability company ("Developer").

WITNESSETH:

WHEREAS, City and Developer entered into that certain Land Disposition and Development Contract dated effective as of November 17, 2014 (the "Contract") whereby City agreed to sell and Developer agreed to purchase that certain real property and improvements thereon, if any, consisting of two (2) newly subdivided parcels commonly known as Parcel 193-A1 ("Parcel Two") and Parcel 193-A2 ("Parcel One") located in the City of Norfolk, Virginia, as more particularly described in the Contract (together, Parcel One and Parcel Two being referred to therein as the "Property"). All capitalized terms not otherwise defined in this Amendment shall have the same meanings provided for in the Contract; and

WHEREAS, City and Developer entered into that certain First Amendment to Land Disposition and Development Contract dated effective as of February 27, 2015 (the "First Amendment") for the purposes contained therein; and

WHEREAS, Developer and its affiliate and assignee, Newport Manor, LLC, need additional time to close on Parcel One;

**NOW, THEREFORE, THIS AMENDMENT TO
CONTRACT WITNESSETH:**

That for and in consideration of the sum of Ten and 00/100 Dollars (\$10.00) cash in hand paid, the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The foregoing recitals are hereby incorporated by reference.
2. Developer and Newport Manor, LLC, agree that Newport Manor, LLC shall close on its acquisition of Parcel One no later than March 31, 2016.
3. Except as modified herein, all other terms and provisions of the Contract and the First Amendment shall remain in full force and effect as if this Second Amendment had been incorporated in the Contract and First Amendment as originally executed and delivered.
4. This Second Amendment has been executed in the Commonwealth of Virginia, and shall be construed, performed and enforced in accordance with the laws of the Commonwealth of

WITNESS the following signatures and seals as of the date first above written.

CITY:

 (SEAL)


Marcus D. Jones, City Manager

ATTEST:



Dep City Clerk

Approved as to contents:



Director of Development

Approved as to Form and Correctness:



Deputy City Attorney

DEVELOPER:

The Hanson Company, LLC,
a Virginia limited liability company


 (SEAL)
Kelvin G. Hanson, Manager

SEEN AND AGREED:

Newport Manor, LLC, a Virginia limited liability company

By: The Hanson Company Development, LP,
a Virginia limited partnership, its Manager

By: The Hanson Company, L.L.C., a
Virginia limited liability company, its
General Partner

By: 
Kelvin G. Hanson, Manager

**FIRST AMENDMENT
TO LAND DISPOSITION AND DEVELOPMENT CONTRACT**

THIS AMENDMENT (“Amendment”) to the Land Disposition and Development Contract, made effective as of this 27 day of February, 2015, between the CITY OF NORFOLK, VIRGINIA, a municipal corporation of the Commonwealth of Virginia and THE HANSON COMPANY, LLC, a Virginia limited liability company. All capitalized terms not otherwise defined in this Amendment shall have the same meanings provided for in the Contract.

WHEREAS, City and Developer entered into that certain Land Disposition and Development Contract dated November 17, 2014 (“Contract) whereby City agreed to sell and Developer agreed to purchase that certain real property and improvements thereon, if any, located in the City of Norfolk, Virginia, as more particularly described in the Contract ; and

WHEREAS, the Property was newly subdivided into two parcels referred to as Parcel 193 A1 (“Parcel 1”) and Parcel 193 A2 (“Parcel 2”)

WHEREAS, Developer has secured a financing commitment for the construction of the portion of Project to be located on Parcel 1 from Virginia Community Capital (“VCC”) in the original principal amount of \$900,000 (the “VCC Loan”);

WHEREAS, in connection with the closing of the VCC Loan, VCC is requiring certain amendments to the Contract; and

WHEREAS, the parties hereto have agreed to amend the Contract as more particularly provided for herein;

NOW, THEREFORE, WITNESSETH:

That for and in consideration of the sum of Ten and 00/100 Dollars (\$10.00) cash in hand paid, the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The City acknowledges and agrees that VCC’s financing commitment to Developer’s affiliate, Newport Plaza, LP, a Virginia limited partnership (the “VCC Borrower”) satisfies the financing condition of the Contract as it relates to development of Parcel 1, and this Amendment hereby constitutes the written approval of the Financing Commitment required pursuant to Section 2.10 of the Contract.

2. Prior to the City electing to reenter and take title back to Parcel 1 pursuant to the provisions of Section 2.11 and/or Section 8.2 of the Contract (“the Reversion”), the City shall provide VCC with written notice of default specifying the nature and extent of such default and each of VCC and the Developer shall have thirty (30) days to cure such default or, if such default cannot reasonably be cured within such thirty (30) day period, VCC or the Developer, as applicable,

shall provide evidence reasonably satisfactory to the City of its ability to cure such default and of the timeline for such cure and must then commence to cure such default within such initial thirty (30) day period and thereafter diligently continue to cure such default to completion. Notwithstanding the foregoing to the contrary, in no event shall VCC have the obligation to cure any defaults by Developer under the Contract. The written notice of default provided to VCC pursuant hereto shall be given (via hand delivery or overnight courier) simultaneously with the City's notice of default to Developer pursuant to the terms of the Contract at the following address:

Shaun Rai, Vice President
Virginia Community Capital
930 Cambria Street, NE
Christiansburg, VA 24073

In the event any default under the Contract is not cured within the applicable notice and cure periods stated above, the City shall not institute the Reversion until such time as it has provided VCC with written notice of its intention to do so. Commencing on the date of VCC's receipt of written notice of the Reversion, VCC shall have one hundred twenty (120) days to commence foreclosure proceedings against Parcel 1 with regard to the VCC Loan and/or receive a deed in lieu of foreclosure from VCC Borrower. On the date of the foreclosure sale or the date of the deed in lieu of foreclosure, as applicable, the City's right to the Reversion shall automatically terminate.

2. The City agrees to convey Parcel 1 to Developer's assignee, Newport Plaza, LP, upon receipt of the Deposit at Closing for Parcel 1.

4. The City agrees that Developer may assign its rights under the Contract as it relates to Parcel 1 to VCC Borrower pursuant to the terms of Article IX of the Contract; provided such assignment will in no way release Developer from its obligations thereunder. The City further agrees that Developer may assign its rights under the Contract as it relates to Parcel 2 to Developer's affiliate, Newport Manor, LLC, a Virginia limited liability company, pursuant to the terms of Article IX of the Contract; provided such assignment will in no way release Developer from its obligations thereunder.

5. Newport Manor, LLC, agrees that it shall close on its acquisition of Parcel 2 no later than three months following the closing of VCC Borrower on its acquisition of Parcel 1.

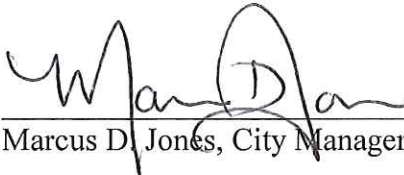
6. The parties hereto agree that Section 10.20 of the Contract shall be deleted in its entirety and further agree that except for the Restrictive Covenants described in Section 2.2 of the Contract, the Contract shall not be recorded with the Clerk's Office of the Circuit Court for the City of Norfolk, Virginia.

7. Except as modified herein, all other terms and provisions of the Contract shall remain in full force and effect.


[Signature Pages Follow]

WITNESS the following signatures and seals as of the date first above written.

CITY:


_____(SEAL)
Marcus D. Jones, City Manager

ATTEST:



City Clerk

Approved as to contents:



Deputy City Manager


Approved as to Form and Correctness:



Deputy City Attorney

DEVELOPER:

The Hanson Company, LLC,
a Virginia limited liability company


By:  (SEAL)
Kelvin G. Hanson, Manager

SEEN AND AGREED:

Newport Plaza, LP, a Virginia limited partnership

By: The Hanson Company Development, LP,
a Virginia limited partnership, its General Partner


By: The Hanson Company, L.L.C., a
Virginia limited liability company, its
General Partner

By: 
Kelvin G. Hanson, Manager

Newport Manor, LLC, a Virginia limited liability company

By: **The Hanson Company Development, LP,**
a Virginia limited partnership, its Manager

By: The Hanson Company, L.L.C., a
Virginia limited liability company, its
General Partner

By: 
Kelvin G. Hanson, Manager

LAND DISPOSITION AND DEVELOPMENT CONTRACT

BETWEEN

THE CITY OF NORFOLK, VIRGINIA

AND

THE HANSON COMPANY, LLC

Article I	-	Definitions
Article II	-	Agreement to Convey and Develop Property. .
Article III	-	Closing and Purchase Price.
Article IV	-	Additional Covenants.
Article VI	-	Obligations
Article VII	-	Additional Obligations of City.
Article VIII	-	Events of Default and Remedies.
Article IX	-	Assignment.
Article X	-	Miscellaneous
Exhibit A	-	Legal Description of Property
Exhibit A-1	-	Legal Description of Parcel A
Exhibit B	-	Developer's Proposal
Exhibit C	-	Parking Component Parcels A, B and C
Exhibit D	-	Parking Lease Agreement

LAND DISPOSITION AND DEVELOPMENT CONTRACT

THIS LAND DISPOSITION AND DEVELOPMENT CONTRACT ("Contract"), is executed this 17 day of November, 2014, by and between the **CITY OF NORFOLK, VIRGINIA** ("City"), a municipal corporation of the Commonwealth of Virginia, and **THE HANSON COMPANY, LLC**, a Virginia limited liability company ("Developer"). The parties to this Agreement may be collectively referred to by the term "Parties" or individually "Party".

RECITALS:

A. Under the leadership of the City Council of the City of Norfolk, the City has embarked on a plan to maintain, retain, improve and expand commercial and residential developments in the City, to cooperate in projects that increase both temporary construction and permanent jobs in the City, to provide catalysts for incremental business growth, which stabilize and enhance neighborhoods in the City.

B. The City further desires to see constructed by private developers, a Project of specific size, high quality design, and quality materials on the real property owned by the City and consisting of **approximately 0.72 acre**, and further described in **Exhibit "A"** ("**Property**").

C. Negotiations by the Parties have produced this agreement for the Developer to arrange on the Property the construction, furnishing and equipping of multi-story mixed use building(s) with parking facilities ("Project"). The Project is described in Developer's Proposal, which is hereto incorporated by reference and attached as **Exhibit "B"**.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants herein contained, the Deposit which has been received by City and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
DEFINITIONS OF TERMS

When used in this Contract with an initial capital letter or letters, each of the following terms shall have the meaning given it below.

(a) "Affiliate" of Developer means any legal entity, which controls, is controlled by, or is under common control with another entity with the Developer.

(b) "City" means the City of Norfolk.

(c) "City Delay" means any delay in completion of the Project resulting from any failure by City to perform timely any of its obligations under this Agreement.

(d) "Completed" or "Completion" means, with respect to the Project, the date when the construction of the building (s) is sufficiently completed ("Substantial Completion") so as to permit use of the building(s) for the purposes for which it was intended and issuance of a certificate of occupancy has been issued, which date may precede the full completion of all punch-list items, landscaping and similar design and development functions.

(e) "Contract" means this Land Disposition and Development Contract between the City and the Developer.

(f) "Contractors" means the general contractors and subcontractors for construction of the Project.

(g) "Deposit" means the sum of Ten Thousand Dollars (\$10,000.00) to be paid by Developer to the Escrow Agent within five (5) days of the execution of this Contract.

(h) "Developer's Proposal" means Developer's planned development of the Property as described in Exhibit B.

(i) "Development Budget and Timeline" means a budget and timeline for development of the Project prepared by Developer and approved by City pursuant to Section 2.9.

(j) "Due Diligence Period" means the 120 days after the date of this Contract that is necessary for developer to obtain the necessary information, assessments, studies, etc. before acquiring the Property and Parcel A.

(k) "Escrow Agent" means the title company selected by City to manage the Deposit.

(l) "Financing Commitment" means a commitment or commitments reasonably satisfactory to the City, which has or have been accepted by Developer from one or more equity investors or institutional lenders who are approved by the City, to finance the construction of the Project. Such approval will not be unreasonably withheld. In order to constitute a Financing Commitment under this definition, a commitment must be duly authorized by the issuer, and must be in substantially the form and level of detail typically utilized by the prospective lender or investor in similar transactions, including requirements for closing and conditions thereof; and, in the case of loan commitments, setting forth the proposed principal amount, interest rate, amortization terms, collateral or guaranty requirements, maturity date, improvements to be constructed and the expiration date of the commitment.

(m) "Outside Closing Date" means the latest date on which Closing may occur, which is one hundred fifty (150) days from the date of this Contract.

(n) "Parking Component" means parcels A, B and C as shown on **Exhibit "C"**.

(o) "Project" means the mixed use building(s) and facilities to be constructed by Developer on the Property.

(p) "Unavoidable Delay" means a delay due to war, riots, civil commotion, strikes, labor disputes, embargoes, natural disaster, Acts of God or any other cause or contingency similarly beyond the control of the Parties or of the Developer's contractors.

ARTICLE II
AGREEMENT TO CONVEY AND DEVELOP PROPERTY

Section 2.1 Conveyance of Property "As Is", Development, Design and Construction of Project.

City will convey fee simple title to the **Property and to Parcel A (as described in Exhibit A-1) of the Parking Component** to Developer by special warranty deed which title shall be good and marketable and free of any liens, encumbrances, or other title defects which would prohibit or impair the use of the Property for the purposes contemplated by this Contract or which City has declined to cure. The City shall have reasonable time to cure any title defects which are not acceptable to Developer and/or its lender. The City, however, shall have the option of declining to cure any defect and if the City does decline to cure any defect, or does not cure any defect that it has agreed to cure, the Developer shall have the right to terminate this Contract and to receive the return of the Deposit as its exclusive remedy for termination of the Contract and any related claim. Developer will accept from City the Property and Parcel A, subject to the terms and conditions hereinafter set forth. Except as expressly set forth in this Contract, Developer is accepting the use and conveyance of the Property and of Parcel A "as is." Developer shall have one hundred and twenty (120) days after the date of the Contract or to the day before Closing, whichever is earlier, to exercise its rights under Section 4.1. In the event Developer determines the Property is unsuitable for constructing the Project, its sole remedy shall be return of its Deposit and termination of the Contract. In the event Developer does not exercise its right to terminate this Contract by giving the City written notice thereof prior to the expiration of the Due Diligence Period, its Deposit shall be non-refundable unless this Contract is terminated because the City cannot deliver title to the Property and to Parcel A as required by

this Contract or City default. Each Party shall be responsible for its costs of closing. Title to the City Property and to Parcel A will not be conveyed before the Developer closes on the financing for the construction of the Project and the terms and the source of the financing are acceptable to the City. Developer shall be responsible for any demolition.

The City shall not be obligated to any extent under this Contract until City Council has approved the Contract, any necessary notices, advertisements and/or hearings have been held and an ordinance has been adopted approving the Contract.

Section 2.2 Restrictive Covenants.

The restrictive covenants contained in this Section 2.2 ("Restrictive Covenants") are intended and designed to operate as covenants binding upon Developer and its Affiliates, successors and assigns conditioned upon City's agreement to any assignment. The Restrictive Covenants are intended for the benefit of the Property provided that only the City and any successor or assignee of the City that is a local governmental agency and the United States with respect to Subsection 2.2(d), shall have the right, power and authority to enforce the Restrictive Covenants; and provided, further that the City shall have the right, power and authority (without the necessity of obtaining the consent of Developer to waive compliance by Developer with any of the Restrictive Covenants whenever it makes a determination, in its reasonable discretion, that such non-compliance or default does not materially interfere with the objectives of the City with regard to development. In addition to, but not in lieu of any other right or remedy for breach of any one or more of the Restrictive Covenants, the City shall be entitled to seek injunctive relief, without necessarily showing monetary or special damages and without posting bond or security for a bond for the award of a permanent injunction. The violation of any of the foregoing covenants, and the exercise of any right or remedy for breach of any of such covenants, shall not

destroy, impair or otherwise affect the lien of any recorded instrument given by Developer to secure repayment of a loan or loans made for the purpose of providing funds for improving the Property or cause a reversion or forfeiture of title. The Parties recognize that the development and operation of the Property in a manner, which is in the best interest of both Parties, may from time to time require the confirmation, clarification, amplification or elaboration of the Restrictive Covenants in order to deal adequately with circumstances, which may not now be foreseen or anticipated by the Parties. The Parties, therefore, reserve unto themselves the right to enter into such interpretive, implementing, amendatory or confirmatory agreements from time to time as they may deem necessary or desirable for any such purpose without obtaining the consent or approval of any person not a party to this Contract, except as may be expressly otherwise provided in this Contract.

The City has determined, in the exercise of its legislatively delegated discretion, that in order to carry out the objective of maintaining, retaining, improving and expanding existing development, and to set a prevailing high standard in aesthetics, public policy is best served by the imposition of conditions and restrictions upon the improvement, use, and maintenance of vacant land which is intended for development by private enterprise. To that end, it is hereby specified that, as part of the consideration for this transaction, the use of the Property to be conveyed, is expressly subject to the following covenants, restrictions, limitations and conditions, which are to be imposed as covenants running with and binding upon the aforesaid Property and Project:

(a) The Property and Project shall not be used for industrial purposes, with the exception of parking, but shall initially and for at least a period of forty (40) years be used for commercial and residential purposes.

(b) There shall not be effected or executed any agreement, lease, covenant, conveyance or other instrument whereby the sale, lease or occupancy of the Property or Project is restricted upon the basis of race, creed, color, religion, sex, national origin, disability or familial status.

(c) Developer will comply with all state and local laws, in effect from time to time, prohibiting discrimination or segregation by reason of race, creed, color, religion, sex, national origin, disability or familial status in the leasing or occupancy of the Property, or any improvements thereon including Project.

(d) Developer agrees on its behalf, its successors and assigns, not to discriminate upon the basis of race, creed, color, religion, sex, national origin, disability or familial status in the sale, lease, rental, use or occupancy of the Property or any improvements thereon including Project. This covenant being given for the benefit of the public, the United States is expressly recognized as a beneficiary thereof and is entitled to enforce it for its own benefit or that of the public.

(e) Coal shall not be used for heating or developing fuel or for any other operation on the Property.

(f) Any land area within the Property not occupied by structures, hard surfacing or vehicular driveways, shall be kept planted with grass, trees and plants or shrubbery and maintained in a healthy condition and neat appearance. Upon default in such planting or in its maintenance, by Developer, its successors and assigns, after receiving in writing a notice to cure within thirty sixty (60) days of date of notice, agree that the necessary planting and work may be done by the City at the expense of Developer, its successors and assigns, from time to time and in keeping with this covenant.

(g) Developer agrees, on its behalf, its successors and assigns, that the Project and its appurtenant premises will be maintained in a sound condition and neat appearance. Necessary repairs, maintenance and upkeep will be performed so as to preserve the attractive appearance, the physical integrity and the sanitary and safe condition of the buildings. Upon default after receiving in writing a notice to cure within sixty (60) days after date of such notice, in such repairs, maintenance or upkeep, the necessary repairs, maintenance and upkeep may be done by the City at the expense of Developer, its successors and assigns, from time to time and in keeping with this covenant.

(h) All exterior walls shall be constructed of permanent materials impervious to deterioration in appearance, such as stone, exposed aggregates, brick, block, pre-cast panels, glass, or EFIS (exterior finishing insulation systems). All roof structures and appurtenances in excess of six (6) inches in diameter and twelve (12) inches in height shall be shielded or screened from observation from the same elevation. Such shielding or screening shall be with materials compatible and in harmony with the roof and/or side walls.

(i) Any service area, facility or equipment located on that side of the Project site which is adjacent to a public right-of-way is to be enclosed or adequately screened.

(j) No landscaping, improvements or structures, whether temporary or permanent in nature, shall be constructed, commenced or erected on the Property unless and until the plans, working drawings, specifications and materials therefor have been approved in writing by the City.

(k) Gas, electric and other utility services shall be underground to the Project from the main distribution. No utility line or connection to any utility line at or above ground level shall be permitted, unless pre-existing or required by utility provider.

(l) The covenants under Subsections (a), (e), (f), (g), (h), (i), (j), (k), (l) and (m) shall expire forty (40) years after the date of this Contract be binding upon the City and Developer and if conveyed by Developer then to its successors and assigns.

It is intended and agreed hereby that the Restrictive Covenants under Section 2.2 shall be covenants running with the land and that they shall in any event, and without regard to technical classification or designation, legal or otherwise be binding upon the City and Developer respectively as the case may be.

Section 2.3 Title Insurance.

Within one hundred and twenty (120) days after the date of this Contract but in no event later than Closing, Developer at its expense shall obtain a commitment for title insurance.

Section 2.4 Design of Project.

In accordance with Section 2.7 below, the design and materials of the Project shall be subject to separate review and approval by the City's Design Review Committee and the City's Planning Commission.

Developer may not proceed with construction of the Project until plans are approved by the Design Review Committee and Planning Commission. Developer shall submit the preliminary plans to the Planning Director prior to the date when design is approximately 10% complete and again when the design is 90% complete and when the design is sufficiently complete such that Developer's contractor can proceed with construction (the "Final Plans"). Developer may not proceed with construction until the plans for the Project are approved by the Planning Commission and in order to enforce this Section 2.4, the City shall be entitled to seek injunctive relief without the necessity of showing monetary or special damages and without posting bond or security for a bond for the award of a permanent injunction. The City's review

will include that the design at the 90% stages and the Final Plans are in substantial conformance with the previous plans provided and as properly modified in accordance with this Contract. Notwithstanding the foregoing, Developer shall have the right to make changes in the design and construction to the extent required to meet applicable codes, rules, regulations, statutes and ordinances. Developer must also obtain all other approvals required by the Norfolk City Code and other applicable laws and regulations. If Developer, despite using commercially reasonable efforts, is unable to obtain approval by the City of the plans for the Project and all other governmental approvals and permits required to commence construction of the Project prior to Closing, Developer may terminate this Contract by giving the City written notice thereof prior to the Closing, in which event the City shall refund the Deposit and any accrued interest to the Developer.

In addition to the design approval provided for in this Contract, the design shall be submitted, and approved, for a Pedestrian Commercial Overlay District Development Certificate (“Certificate”) as specified in Chapter 11-11 of the City of Norfolk’s zoning ordinance. Developer shall seek to obtain the Certificate.

Section 2.5 Parking Component

- (a) Parcel A: At its own cost and expense, Developer shall design, construct, landscape and equip Parcel A as a five (5) spaces parking facility to be used for the Project.

- (b) Parcel B: In consideration for the use of Parcel C for the Project, Developer shall design, construct, landscape and equip Parcel B, which is owned by Norfolk Redevelopment and Housing Authority (“NRHA”), at its own cost and expense, for public use as an eighteen (18) spaces parking facility.

(c) Parcel C: Developer shall enter into a parking agreement with NRHA, owner of Parcel C, for the use of that Parcel as a parking facility for the Project. A copy of the parking agreement to be entered into is hereto attached as **Exhibit “D”**.

Parcels A and B shall be designed and constructed in keeping with City standards for comparable parking facilities. . The Developer shall operate and maintain parcels A and C as parking facilities at its own expense.

Section 2.6 Relocation and Construction of Utilities.

Developer shall be responsible for the relocation of any utilities which is necessitated by the construction of the Project on the Property and for bringing and connecting utilities to the Project, and all costs thereof shall be paid and borne by Developer. In addition, Developer shall cause all electric, telephone and other utility lines for the Project to be placed underground within public rights of way or utility easements located within the Property lines for all new construction.

Section 2.7 City’s Review Procedures.

The City shall review the design submissions within thirty (30) days of its receipt of the same, and shall give notice to Developer within such thirty (30) day period of its determination that either (a) the same are approved as complete in accordance with the terms of this Contract, (b) that such submissions are incomplete or otherwise fail to comply with the terms of this Contract, or (c) that such submissions must be modified. If the City determines that the Project design documents submitted to it hereunder are incomplete or otherwise fail to comply with this Contract or must be modified in accordance herewith, it shall disapprove them or request such modification and shall, in its notice thereof to Developer, set forth with specificity the reasons for the failure to comply and/or the nature of the modification being requested. After

correcting and/or modifying and completing the Project design documents in accordance herewith, Developer shall resubmit the Project design documents to the City within sixty (60) days after such notification from the City. The City shall, within thirty (30) days of the receipt of such revised Project design documents, give notice to Developer whether it approves or disapproves or requires further modification of the Project design documents and if it disapproves or requests further modifications, it shall set forth the specific reasons for such disapproval or requested modifications in its notice thereof to Developer. Each further revision and resubmission of any of the Project design documents by Developer, and each further review and notice of approval or disapproval or request for modification of any of the Project design documents by the City shall be done or made pursuant to the procedures hereinabove set forth.

Section 2.8. Modifications of Design by Developer.

If Developer wishes to make modifications to the design of the Project, it shall submit such proposed modifications to the City for review and approval. Any such submission shall clearly identify all changes, omissions and additions as compared to the previously approved Project design documents. If the City determines, in its reasonable judgment, that the proposed modifications are acceptable, the City shall so notify Developer, the Project design shall be deemed to incorporate the modifications that have been approved by the City and Developer shall perform its obligations under this Contract in accordance with the Project design as modified. If the City determines, in its reasonable judgment, that the proposed modifications are not acceptable, the City shall so notify Developer, specifying in reasonable detail in what respects they are not acceptable, and Developer shall either (a) withdraw the proposed modifications, in which case, construction of the Project shall proceed on the basis of the Project design previously approved by the City, or (b) revise the proposed modifications in response to

the City's objections, and resubmit such modifications to the City for review and approval within thirty (30) days after such notification from the City.

Section 2.9. Construction Schedule.

Subject to City Delays and/or Unavoidable Delays, the Parties desire that the Project be completed on or before the date eighteen (18) months after Closing; therefore, Developer shall commence construction on or before sixty (60) days following Closing on such schedule as is reasonably required to achieve this desired completion date. Promptly after the execution and delivery of this Contract, Developer shall commence and diligently prosecute all investigations, studies, applications, architectural and engineering work, negotiations, letting and execution, as the case may be, of construction, demolition, and utility relocations or abandonment, contracts or commitments, necessary or appropriate for the commencement of construction. A construction schedule will be furnished to the City prior to completion of design. The Project shall be Completed in a good and workmanlike manner in accordance with the design approved by the City under this Contract, subject to Unavoidable Delays and/or City Delays. Final Completion shall occur within two (2) months following such Substantial Completion, subject to Unavoidable Delays and/or City Delays.

Section 2.10. Financing Commitment.

Prior to Closing Developer shall produce evidence, in form and substance satisfactory to the City, of the Developer's financial ability to design, construct and equip the Project and to thereafter maintain, operate and lease same ("Financing Commitment"). City shall approve of the financing commitments before Closing. Developer shall have secured a Financing Commitment for the funds necessary to satisfy its obligations under the Contract by no later than one hundred twenty (120) days from the date of this Contract but in no event later than

Closing. Failure to secure Financing Commitment satisfactory to the City will permit the City to terminate the Contract. In the event of such termination, Developer's sole remedy shall be the return of the Deposit.

Section 2.11. Failure to Obtain Financing or to Meet Construction Schedule.

In the event that (x) Developer fails to obtain the financing or funds in accordance with Section 2.10 or (y) Developer fails to commence construction as specified in section 2.9, or (z) construction ceases for ninety (90) consecutive days (other than because of Unavoidable Delay and/or City Delay, except if such cessation is due to the termination of construction contract by the Developer or Contractor, and if the Developer makes reasonable effort to recommence construction, then such 90 day period will be extended to one hundred twenty (120) days, the City, shall be entitled, but not obligated, to terminate this Contract upon sixty (60) days written notice to Developer and upon the conclusion of such sixty (60) day period and no cure by Developer, this Contract shall terminate except for the City's remedies as outlined below.

In the event that this Contract is terminated as provided in the above paragraph, City shall have the right but not the obligation to re-enter and take title to the Property, in which event Developer shall execute a deed re-conveying the Property as well as all improvements to the City, subject to any mortgage ("Mortgage") to which the Property is subject pursuant to the Financing Commitment or any tenant leases already in place as provided in Section 8.2, provided Developer is paid the Reverter Payment as provided in 8.2.. In the event that the City has the right to terminate this Contract as provided in this Section 2.11, but does not exercise its right to terminate and the Project is Completed on a date more than twenty-four (24) months after Closing, then in such event, Developer shall pay liquidated damages for such delay for each day between the date twenty-four (24) months after the commencement of construction, and the date

the Project is Completed. The amount of liquidated damages for such delay per day shall be the difference between real estate taxes that would be payable if the Project had been Completed on the date twenty-four (24) months after the commencement of construction and the actual real estate taxes that are assessed for the days between the date twenty-four (24) months after the commencement of construction and the date the Project is Completed. Developer agrees this provision is a valid and enforceable liquidated damages provision and the City's Real Estate Assessor's assessment of the amount owed shall be accepted by Developer as the proper amount. Notwithstanding anything to the contrary in this Agreement, upon the Completion of the Project the right of reentry and reconveyance of title as set forth above and in Section 8.2 herein shall lapse;

Section 2.12. Risk of Loss and Insurance.

After Closing, the Developer shall bear the risk of loss on the Property and all improvements thereto including the Project. Developer agrees that in the event the Project is partially or fully damaged or destroyed prior to Completion and occupancy that subject to the Project's lender allowing the use of insurance proceeds of reconstruction, Developer shall rebuild the Project at its costs, including the costs of design, construction and equipping same. Failure to commence reconstruction within a reasonable time or failure to complete reconstruction shall entitle City to have the Property reconveyed to City at no cost to City.

Beginning on the Date of Closing Developer shall, at its sole expense and cost, keep the Property and all of the improvements, including the Project, on the Property insured, on forms and in companies acceptable to City subject to the prior rights of the Project's lender, for the benefit of Developer and City, in an amount equal to not less than the full insurable value (a) against loss and damage by fire, and (b) against loss or damage from risks covered by standard

form of endorsement for use in Norfolk, Virginia. In no event shall the coverage amount be less than the amount it would take to design, construct and equip the Project in the event of part or complete destruction of the Project. Subject to the prior rights of the Project's lender, City shall be loss payee on all such policies until the final certificate of occupancy is issued for the Project.

Prior to Closing City shall bear the risk of loss of the Property and any existing improvements. However, any improvements thereon are to be demolished by Developer after Closing; therefore loss of all or part of improvements on the Property prior to Closing in no way requires City to rebuild the existing improvements and shall not affect Developer's obligation to close or consideration payment by Developer to the City. If the condition of the Newport Theater building at 600 West 35th Street changes so as to become unusable for the Project, Developer shall have the right to terminate this Contract without penalty or prejudice to any of the parties.

ARTICLE III CLOSING AND PURCHASE PRICE

Section 3.1. Time and Place of Closing.

The closing ("Closing") shall take place at Office of the City Attorney, 900 City Hall, Norfolk, Virginia 23510, or at any other location in Norfolk agreed to by the Parties, on a date which shall be the earlier of either (a) a date mutually satisfactory to Developer and the City, or (b) the Outside Closing Date.

Section 3.2. Consideration.

In consideration for the City's conveyance of the Property to Developer, Developer shall pay to City Two Hundred Thousand Dollars (\$200,000.00), Thirty-Two Thousand Three Hundred Fourteen Dollars (\$32,314.00) of which are the assessed value of

Parcel A, and Developer shall be obligated to design, construct, and equip the Project on the Property at Developer's sole expense pursuant to the terms of this Contract.

Section 3.3. Conditions of Developer's Obligation to Close.

The obligation of Developer to close hereunder is expressly conditioned upon the fulfillment by and as of the Closing Date of each of the conditions listed below, provided, however, that Developer at its election, evidenced by notice delivered to the City prior to or at the Closing, may waive any or all of the following conditions:

(a) All representations, warranties, acknowledgments and covenants made by the City in this Contract shall be true and correct in all material respects and shall continue to be true and correct in all material respects at the date of Closing.

(b) No laws, statutes, ordinances, governmental orders, regulations, rules or requirements shall have been enacted, adopted, issued or otherwise promulgated, and/or shall be in force, that would prevent the use and development of the Project in accordance with this Contract, the zoning, or in accordance with any related agreements to which the City is a party, or to which Developer is a party.

(c) The City shall own good and marketable fee simple title free and clear of all liens and encumbrances except those permitted by this Agreement to the Property.

Section 3.4. Conditions of City's Obligation to Close.

The obligation of the City to close hereunder is expressly conditioned upon the fulfillment by and as of the Closing Date of each of the conditions listed below, provided, however, that the City at its election, evidenced by notice delivered to Developer prior to or at the Closing, may waive any or all of the following conditions:

(a) All representations, warranties, acknowledgments and covenants made by Developer in this Contract shall be true and correct in all material respects, and shall continue to be true and correct in all material respects at the date of Closing.

(b) No laws, statutes, ordinances, governmental orders, regulations, rules or requirements shall have been enacted, adopted, issued or otherwise promulgated, and/or shall be in force, that would prevent the use and development of the Property in accordance with this Contract, the zoning, or in accordance with any related agreements to which the City or Developer is a party.

(c) Developer will submit to City in accordance with City's zoning regulations two copies each of (i) the plan of development of the Project and (ii) the application of the foundation permit for the Project;

(d) Developer shall have obtained a Financing Commitment in a form and on terms satisfactory to the City and shall have provided to the City appropriate evidence thereof;

(e) A certificate from the Virginia Board of Contractors or other evidence satisfactory to the City that the General Contractor selected by Developer to construct the Project is a registered contractor in good standing with the Virginia Board of Contractors;

(f) Such other documentation including plans and specifications, schematic drawings and renderings of the Project as may reasonably be requested by City to insure the orderly development of the Property;

(g) A performance and payment bond each in the amount of the general construction contract for the Project in a form and substance acceptable to the City;

(h) City shall have approved the proposed budget and construction schedule in accordance with Section 2.9;

(i) City shall have approved the design development documents in accordance with Sections 2.4 and 2.7;

(j) City shall have received a copy of the executed construction contract; and

(k) City shall have received proof satisfactory to the City of insurance required in Section 2.12.

Section 3.5. Failure to Satisfy Conditions.

In the event that any of the conditions of a Party's obligation to close hereunder as set forth in Section 3.3 or 3.4 hereof are unsatisfied for any reason, other than Unavoidable Delay and/or City Delay, that Party shall be entitled but not obligated, upon notice delivered to the other Party to this Contract at or prior to the Closing Date, to receive one adjournment of thirty (30) days of the Closing to enable such other Party to satisfy or cause to be satisfied such conditions. If on the original or any adjourned Closing Date, any condition(s) of the obligation of a Party to close hereunder shall remain unsatisfied and has not been waived by such Party, then such Party shall have the right to terminate this Contract upon thirty (30) days written notice to the other, and unless, during such thirty (30) days written notice to the other, either (a) the Party entitled to terminate shall waive such condition(s) as provided above and agree to proceed to Closing hereunder, or (b) this Contract shall immediately terminate, and neither Party shall have any further rights hereunder or obligations to the other of any nature hereunder or by reason hereof, except that with respect to a failure to satisfy any condition of the Closing that results

from a Party's default under this Contract, the provisions of this Contract pertaining to such default, and to the Parties' respective rights, remedies and obligations in connection with such default, shall be applicable in addition to, or (in the non-defaulting Party's discretion) as an alternative to, the non-defaulting Party's aforesaid right of termination.

Section 3.6. Deliveries at Closing by City.

At the Closing, City will execute and deliver to Developer the following:

(a) A special warranty deed conveying good and marketable fee simple title to the Property free and clear of all liens and encumbrances except those permitted by this Agreement to Developer subject to the restrictive covenants described in Section 2.2;

(b) A certificate to the effect that the City is not a foreign entity subject to the withholding requirements of the Foreign Investment in Real Property Tax Act;

(c) A certified copy of the ordinance adopted by the City authorizing the conveyance of the Property to Developer pursuant to the terms of this Contract;

(d) A 1099 report form pursuant to Section 6045 of the Internal Revenue Code of 1986, as amended;

(e) Form R-5E as required by the Virginia Department of Taxation to evidence that City is a Virginia resident;

(f) Any other document or instrument required hereunder or reasonably requested by Developer or its title insurance company in order to consummate the transactions contemplated herein.

Section 3.7. Deliveries at the Closing by Developer.

At the Closing, Developer shall execute and/or deliver the following:

(a) Developer shall deliver to the City Two Hundred Thousand Dollars (200,000.00) minus the Deposit, by wire, cashiers check or certified funds.

(b) Developer shall deliver to the City evidence reasonably satisfactory to the City that Developer has been validly formed as a limited liability company and is qualified to do business in the Commonwealth of Virginia and City of Norfolk.

(c) Developer shall deliver to the City the written opinion of counsel of Developer, in form reasonably satisfactory to the City (assuming that all signatures are genuine, and further assuming that all documents presented to such counsel as copies conform with the originals), stating (1) that Developer is a limited liability company, duly organized and validly existing under the laws of the State of Virginia; (2) that Developer has the power to enter into the transactions contemplated by this Contract (including, without limitation, entry into this Contract); (3) that all actions by Developer required to be authorized in the transaction contemplated by this Contract have been duly authorized; (4) that this Contract and all documents required to effectuate the transactions contemplated hereby which are to be executed by Developer (including, without limitation, all agreements and instruments to be executed by Developer at the Closing) have been duly executed and delivered by Developer, and constitute binding obligations of Developer, enforceable in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganizations, moratoriums or similar laws affecting the enforcement of creditors' rights generally and by legal and equitable limitation on the enforceability of specific remedies; and

(d) Any other document or instrument required hereunder or reasonably requested by the City in order to consummate the transactions contemplated herein, which document or instrument will be in form and substance reasonably acceptable to

Developer, including but not limited proof of insurance required by Section 2.12, which document or instrument will be in form and substance reasonably acceptable to City.

Section 3.8. Prorations.

Proratable items relating to the Property will be prorated as of the date of Closing.

Section 3.9. Closing Costs.

City is exempt from grantor's tax on the Deed. Developer will pay all other recording taxes and fees in connection with the recordation of the Deed, the cost of its title insurance commitment and policy, the cost of obtaining the survey and any subdivision plat required, and all other costs incurred in connection with its due diligence investigations of the Property. Each Party will pay its respective attorney's fees.

ARTICLE IV
ADDITIONAL COVENANTS

Section 4.1. Right of Entry.

Before the Closing, Developer and its agents, representatives and contractors will have the right to enter the Property for the purpose of surveying the Property, conducting soil tests and engineering studies and performing such other examinations as Developer deems necessary to determine the suitability of the Property for its contemplated development. Developer will keep the Property free and clear of all mechanics' liens and will indemnify, defend and hold the City harmless from and against any and all claims, liens, liabilities, damages, losses and costs (including reasonable attorneys' fees) arising from the exercise by Developer of its right of entry under this Section. If the Closing does not occur, Developer will repair any damage to the Property caused by Developer's exercise of such right of entry.

Section 4.2 Condemnation.

If before the Closing all or any portion of the Property is taken under the power of eminent domain or is transferred in lieu of such taking and such taking or transfer materially interferes with Developer's contemplated development of the Property, Developer may, at its option, (i) terminate this Contract by notice to the City within thirty (30) days after Developer is notified of such taking or transfer, in which case return of the Deposit shall be the sole and exclusive remedy or (ii) proceed to Closing.

Section 4.3 Time is of the Essence.

Time is of the essence as to the performance of the terms and conditions of this Contract. To the extent any provisions of this Contract specifically state that time is of the essence, such specific provisions are not intended to mean that time is not of the essence as to the remaining provisions of this Contract.

Section 4.5 Staging Area and Construction Operations.

City does not have any obligation to Developer and/or its contractor to provide a staging area or any particular construction easements for construction of the Project. Developer shall see that any pile driving and similar construction methods are not started before 9:00 a.m. and cease by 6:00 p.m. on weekdays, and are not started before 10:00 a.m. and cease before 5:00 p.m. on weekends and holidays except utility connections may be scheduled at times least disruptive to the Project and/or neighbors.

ARTICLE V
TERM

The term of this Contract shall commence upon the date first entered on this Contract. This Contract shall survive Closing.

ARTICLE VI
MODIFICATIONS FOR LENDER

If in connection with obtaining Financing Commitments for this Project, any lender shall request reasonable modifications of this Contract as a condition to such financing, the parties will execute a modification of this Contract, provided that such modification does not increase the financial obligations of the City, or materially and adversely affect any rights of the City created by this Contract.

ARTICLE VII
ADDITIONAL OBLIGATIONS OF CITY

Section 7.1 Zoning; Sign District.

Prior to Closing, the City and Developer will work together to rezone the property to a zoning classification and establish a suitable sign district that permits the use of the Property as contemplated in the Project. Developer acknowledges that it must obtain a Pedestrian Commercial Overlay Certificate and abide by all applicable rules, laws, regulations and conditions before permits will be issued for construction.

Section 7.2 Certification.

Upon Final Completion of Project and the issuance of a certificate of occupancy, City will furnish Developer an appropriate instrument certifying that Developer has complied with the provisions hereof relating to the construction of the Project. If City shall, for cause, refuse or fail to provide certification, the City shall, within ten (10) days after written request by Developer, provide Developer with a written statement indicating in adequate detail how Developer has failed to complete the construction of the Project in conformity with this Contract, or is otherwise in default, and what measures or acts will be reasonably necessary in the opinion of the City, for Developer to take or perform in order to obtain certification.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1 Default by Developer.

The occurrence of any of the following shall be an event of default by Developer under this Contract:

(a) The filing by Developer of a voluntary proceeding under present or future bankruptcy, insolvency, or other laws respecting debtors' rights;

(b) The consent by Developer to an involuntary proceeding under present or future bankruptcy, insolvency, or other laws respecting debtor's rights;

(c) The entering of an order for relief against Developer or the appointment of receiver, trustee, or custodian for all or a substantial part of the property or assets of Developer in any involuntary proceeding, and the continuation of such order, judgment or decree unstayed for any period of thirty (30) consecutive days;

(d) The failure of Developer to perform or to observe any covenant, obligation, condition or requirement of this Contract not specifically named as a default in this Section 8.1, and the continuation of such failure for sixty (60) days after written notice from City specifying the nature and extent of any such default, or, if such default cannot reasonably be cured within such thirty (30)-day period, the failure either (i) to commence to cure such default within such sixty (60)-day period and to diligently continue to pursue such effort to cure to completion, or (ii) to cure such default within a reasonable time after the expiration of the first sixty (60)-day period, in no event to exceed ninety (90) days after the written notice of default.

Section 8.2 Remedies.

Upon the occurrence and continuance of any event of default described in Section 8.1 after written notice and expiration of any applicable cure period without cure, City may elect to terminate this Contract by giving written notice of such termination to Developer, and this Contract shall terminate as of the date specified in such notice (which date shall be on or after the date of the notice of termination). In the event that termination under this Section 8.2 occurs after Closing but before Substantial Completion of the Project, and such termination is because of a default under Section 2.11, in addition to its other remedies, City may elect to reenter and take back title to the Property in which event Developer shall re-convey such title to the City. In the event the termination is because of a default under Section 2.11(y) or (z), the reconveyance of title of the Property and all improvements thereon to the City shall be subject to the City paying at the time of such conveyance the "Reverter Payment". The "Reverter Payment" shall be (a) an amount equal to ninety-five percent (95%) of the Fair Market Value, as of the date of such notice of termination of all improvements constructed on the Property by Developer to date plus Two Hundred Thousand Dollars (\$200,000.00) less the outstanding principal balance (and all accrued but unpaid interest thereon) under the Mortgage through the date of such notice of termination. For purposes of this Section, "Fair Market Value" shall mean the fair market value of the improvements constructed by Developer to date of such of termination as determined by mutual agreement reached within twenty (20) days of the date of notice of termination by the City, or, in the absence of such agreement, by appraisal as follows. If the parties are unable to reach agreement on the Fair Market Value within such twenty (20) day period, then within ten (10) days thereafter Developer shall name one appraiser and the City shall name a second appraiser. The appraisers so chosen will meet within ten (10) days after the second appraiser is

appointed and if, within thirty (30) days after the second appraiser is appointed, the two appraisers shall not agree upon the Fair Market Value, they shall appoint a third appraiser. In the event the two appraisers are unable to agree upon such appointment within ten (10) days after the aforesaid time, then either party may, as promptly as possible thereafter, request the American Arbitration Association to appoint a third appraiser. The decision of the appraisers so chosen shall be given within a period of thirty (30) days after the appointment of such third appraiser. The decision in which any two appraisers so appointed and acting hereunder concur shall in all cases be binding and conclusive upon the parties. Each party shall pay the fees and expenses of the original appraiser appointed by such party and the expenses of the third appraiser, if any, shall be borne equally by the parties. Any appraiser, no matter by whom designated, shall be a member in good standing, with the "MAI" designation, of the Appraisal Institute with at least ten (10) years' experience as a real estate appraiser in the Hampton Roads, Virginia area. The City's right to take back the property is subject to the lien of any mortgage held by any lender for the financing of the Project and subject to tenants' leases already in place on the date of the notice, with copies provided to the City at time of execution of such leases. In addition to the remedies of termination described above, a non-defaulting Party shall have available to it all other rights and remedies provided in this Contract or at law or in equity. Remedies under this Contract shall be cumulative and not restrictive of other remedies. The prevailing Party in any action or proceeding to enforce the terms of this Contract shall be entitled to recover from the unsuccessful Party all costs and expenses, including reasonable attorney's fees incurred therein.

For the avoidance of doubt, the City's right to elect to reenter and take back title to the Property under this Section 8.2 and/or Section 2.11 after Closing is limited to the circumstances described in Section 2.11(y) or (z).

ARTICLE IX
ASSIGNMENT LIMITATIONS

Except as otherwise specifically provided herein, prior to Completion of the Project, Developer may not assign this Contract or any right, title or interest hereunder, to any entity other than an affiliate without the City's written permission. Developer shall have the right to collaterally assign all or any portion of its rights in this Contract to any lender or lenders prior to the completion of the Project, or after the Project has been Completed to anyone.

A permitted assignment shall not relieve the assigning party from its obligations under this Contract. Any purported assignment of this Contract or of any right, title or interest hereunder not complying with this Article IX shall be void and of no force or effect.

ARTICLE X
MISCELLANEOUS

Section 10.1 Low and Moderate Income Job Opportunities.

Developer shall make every reasonable effort to include provisions in the construction contracts for the Project, and in the leases of space in the Project, (i) requiring the contractor and commercial tenants of the Project to make a good faith effort to see that job opportunities at the Project are made available to low and moderate income persons; and (ii) prohibiting any contractor or tenant from discriminating on the basis of race, color, creed, national origin, age or sex. Developer will cooperate with the City in alerting the contractors and tenants to any training programs, or other job opportunity sponsored by the City, and encourage participation in such programs.

Section 10.2 City's Project Representative.

The City hereby appoints Ron Williams or his designate as its representative for the Project who will be responsible for coordinating the City's approvals hereunder.

Section 10.3. No Broker.

Developer and City each represent and warrant that no broker to whom a commission, fee or other compensation is payable is or has been involved in or brought about the transactions contemplated by this Contract. Each of said Parties shall indemnify and hold the others harmless from any and all claims, obligations, liabilities, costs or expense (including reasonable attorneys' fees) incurred as a result of any claim for brokerage commissions, fees or other compensation by any person or entity who alleges having acted or dealt with the indemnifying Party in connection with the Project or the transactions contemplated by this Contract. The Parties' obligations under this Section shall survive the Closing and any termination of this Contract.

Section 10.4. Relationship of Parties.

This Contract is not to be construed to create a partnership or joint venture between the Parties.

Section 10.5. Negotiated Document.

The Parties acknowledge that the provisions and language of this Contract have been negotiated, and agree that no provision of this Contract shall be construed against any Party by reason of such Party having drafted such provision of this Contract.

Section 10.6. Governing Law.

This Contract shall be governed and construed by the laws of the Commonwealth of Virginia.

Section 10.7. Successors and Assigns.

The agreements, terms, covenants and conditions of this Contract shall be binding upon and inure to the benefit of the City, Developer, and except as otherwise provided herein, their respective successors and permitted assigns.

Section 10.8. Further Assurances.

Each Party hereto shall do all acts and things and make, execute and deliver such written instruments as shall from time to time be reasonably required to carry out the terms and provisions of this Contract.

Section 10.9 No Amendment.

Neither this Contract nor any provisions hereof may be changed, modified, amended, supplemented, altered, waived, discharged or terminated except by an instrument in writing signed by both Parties and if required by any mortgage document, with the written consent of the applicable lender.

Section 10.1 Survival of Closing.

The provisions of this Contract shall survive the Closing.

Section 10.1 Effectiveness.

This Contract shall not be binding or effective until executed and delivered by the Parties hereto.

Section 10.12 Waiver.

The failure of any Party to insist upon strict performance of any of the terms or provisions of this Contract or to exercise any option, right or remedy contained in this Contract, shall not be construed as a waiver or as a relinquishment for the future of such term, provision,

option, of this Contract nor be deemed to have been made unless expressed in writing and signed by such Party.

Section 10.13 Exhibits.

Each Exhibit referred to in this Contract is incorporated by reference and attached to this Contract.

Section 10.14 Consent and Approvals.

All consents and approvals which may be given under this Contract shall be in writing, as a condition of their effectiveness. The granting of any consent or approval by a Party to perform any act requiring consent or approval under the terms of this Contract or the failure on the part of a Party to object to any such action taken without the required consent or approval shall not be deemed a waiver by the Party whose consent was required or its right to require such consent or approval for any further similar act.

Sections 10.15. Interpretation.

For the purpose of construing this Contract, unless the context indicates otherwise, words in the singular number shall be deemed to include words in the plural number and vice versa, words in one gender shall be deemed to include words in other genders, and the word "person" shall be deemed to include a corporation or partnership. Headings of articles and sections are inserted only for convenience and are not, and shall not be deemed, a limitation on the scope of the particular articles or sections to which they refer.

Section 10.16. "Including".

In this Contract, whenever general words or terms are followed by the word "including" (or other forms of the word "include") and words of particular and specific meaning, the word "including without limitation," and the general words shall be construed in their widest

extent, and shall not be limited to persons or things of the same general kind or class as those specifically mentioned in the words of particular and specific meaning.

Section 10.17. Notices.

All notices or other communications required or desired to be given with respect to this Contract shall be in writing and shall be delivered by hand or by courier service, or sent by registered or certified mail, return receipt requested, bearing adequate postage and properly addressed as provided below. Each notice given by mail shall be deemed to be given by the sender when received or refused by the Party intended to receive such notice; each notice delivered by hand or by courier service shall be deemed to have been given and received when actually received by the Party intended to receive such notice or when such Party refuses to accept delivery of such notice. Upon a change of address by either Party, such Party shall give written notice of such change to the other Party in accordance with the foregoing. Inability to deliver because of changed address or status of which no notice was given shall be deemed to be receipt of the notice sent, effective as of the date such notice would otherwise have been received.

To City:

Marcus D. Jones
City Manager
1100 City Hall
810 Union Street
Norfolk, VA 23510

With a copy to:

Ron Williams
Assistant City Manager
1100 City Hall
810 union Street
Norfolk, VA 23510

With a copy to:

Bernard A. Pishko, City Attorney
City of Norfolk
810 Union Street
900 City Hall Building
Norfolk, VA 23510

To Developer:

Kelvin Hanson
The Hanson Company, LLC
927 Hull Street
Richmond, VA 23224

Section 10.18. Entire Agreement.

This Contract constitutes the entire agreement between the Parties with respect to the Project and supersedes all prior understandings and writings, and this Contract may be amended or modified only by a writing signed by City, and Developer.

Section 10.19. Counterparts.

This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single document.

Section 10.20. Recordation.

This Contract may be recorded in the Clerk's Office of the Circuit Court of the City of Norfolk, Virginia.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

WITNESS the following signatures:

CITY OF NORFOLK

By

Marcus D. Jones

City Manager

ATTEST:

R. Breckenridge Daughtrey

City Clerk

APPROVED AS TO CONTENTS:

[Signature]

Assistant Director, Department of Development

APPROVED AS TO FORM AND CORRECTNESS:

[Signature]

Deputy City Attorney

COMMONWEALTH OF VIRGINIA
CITY OF NORFOLK, to-wit:

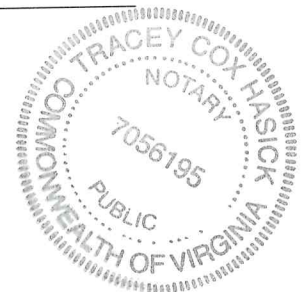
I, Tracey Cox Hesick, a Notary Public in and for the City of Norfolk, in the State of Virginia, whose term of office expires on the 30 day of April, 2018, do hereby certify that Marcus D. Jones, City Manager and R. Breckenridge Daughtrey, City Clerk, respectively, of the City of Norfolk, whose names as such are signed to the foregoing Land Disposition and Development Contract dated Nov. 17, 2014, have acknowledged the same before me in my City and State aforesaid.

Given under my hand this 17 day of Nov., 2014.

I.D. # 7056195

Tracey Cox Hesick

Notary Public



THE HANSON COMPANY, LLC

Kelvin Hanson
Kelvin Hanson, Manager

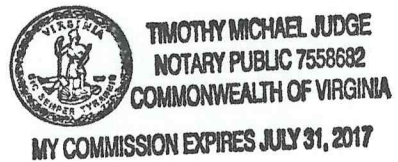
COMMONWEALTH OF VIRGINIA
CITY OF NORFOLK, to-wit:

Sworn to and subscribed before me, a Notary Public in and for the City and State
aforesaid, by Kelvin Hanson, authorized officer of The Hanson Company, LLC, this
31 day of October, 2014.

I.D. # 7558682

Timothy Michael Judge
Notary Public

My commission expires: 07-31-2017



LEGAL DESCRIPTION OF PROPERTY

PARCEL ONE

ALL THOSE certain lots, pieces or parcels of land, with the buildings and improvements thereon, in the City of Norfolk, Virginia, and being known, numbered and designated as **LOTS 39, 41 43**, in **BLOCK K**, on the Plat of Kensington Company, which plat is duly recorded in the Clerk's Office of the Circuit Court of the City of Chesapeake, Virginia, in Map Book 4, at page 78.

PARCEL TWO

ALL THAT certain lot or parcel of land, with the buildings and improvements thereon, being known, numbered and designated as **PARCEL 193-A**, as shown on a plat (the "Plat") entitled "RESUBDIVISION OF LOTS 36, 38, 40, 42, 44 AND 46, BLOCK K, KENSINGTON (M.B. 4, P. 78-CHES.)", which Plat was prepared by Rouse-Sirine Associates, Ltd., dated May 15, 2006, and recorded in the Clerk's Office of the Circuit Court of the City of Norfolk, Virginia, in Map Book 61, at Page 32, reference being made to said Plat for a more particular description of the Property.

PARCEL A

Tax Account Number 0750-8780

All that certain lot, piece or parcel of land, with the buildings and improvements thereon, was consisting of one apartment house called "Willco", together with other buildings which occupy the said lot to be hereinafter described, and which said lot is bounded and described as follows:

Beginning at the southeast intersection of Newport Avenue (formerly Granard Street) and Thirty-Sixth Street, and running thence east along the south side of Thirty-Sixth Street fifty (50) feet; thence south and parallel with Newport Avenue, sixty-five (65) feet, to a point; thence south bearing east, eighteen and three-tenths (18.3) feet to the center line of a partition wall between two garages; thence south along said center line of partition wall and parallel with Newport Avenue, seventeen and eight-tenths (17.8) feet; thence west and parallel with Thirty-Sixth Street fifty-six and three-tenths (56.3) feet to the east side of Newport Avenue, and thence north along the east side of Newport Avenue one hundred (100) feet to the point of beginning; Being lots one (1) and two (2) and a portion of three (3), in Block 12, on plat entitled "Sketch of Kensington and Virginia Place", which plat is duly of record in the Clerk's Office of the Circuit Court of Chesapeake, (formerly Norfolk County), Virginia, in Map Book 5, at page 61; said property being further shown on a plat entitled "Physical Survey, property of Jacob Bennett, dated December 5, 1928, made by John M. Baldwin, C.E.", which said plat is of record in the Clerk's Office of the Circuit Court of the City of Norfolk, Virginia, in Map Book 7, at page 50.

Less and Except that certain lot, piece or parcel of land with the appurtenances thereunto appertaining, numbered 3510 Newport Avenue, in the City of Norfolk, Virginia, known, numbered and designated as parts of lots one (1), two (2), and three (3), in block twelve (12), as shown on the plat entitled "Sketch of Kensington and Virginia Place", which plat is recorded in the Clerk's Office of the Circuit Court of Norfolk County, Virginia in Map Book 5, Page 61; said property is also shown on a plat entitled "Physical Survey, property of Jacob Bennett", dated December 5, 1928, made by John M. Baldwin, C.E., which plat is recorded in the Clerk's Office of the Corporation Court of the City of Norfolk, Virginia, in Map Book 7, page 50, and it is further shown on the plat entitled "Physical Survey of the property #3510 Newport Avenue, Norfolk, Virginia", made by John M. Baldwin, C.E., which plat is recorded in the last mentioned Clerk's Office in Map Book 12, page 8, said lot being more particularly described as follows:

Beginning at a point on the east side of Newport Avenue, eighty one- and three tenths (81.3) feet, more or less, south of the southeast intersection of Newport Avenue and 36th Street; thence south along the east side of Newport Avenue eighteen and seven-tenths (18.7) feet, more or less; thence east and parallel with 36th Street, fifty-six and three tenths (56.3) feet, more or less; thence northwardly and parallel with Newport Avenue, seventeen and eight tenths (17.8) feet, more or less; and north one (1) foot, more or less, as shown on said plat; Thence west and parallel with 36th Street, fifty-six (56) feet, more or less to the point of beginning.

If being part of the same property conveyed to James R. Chalk and Barbara A. Chalk, husband and wife, as tenants by the entireties, by Deed from Robert Lewis Spilka and Marilyn Fired Spilka, husband and wife, and Nathan Fried and Rosalye W. Fried, husband and wife, dated November 18, 1977, in the Clerk's Office of the Circuit Court of the City of Norfolk, Virginia in Deed Book 1422, Page 24.

Print Date 10/13/2015
Property Address 601 36th St
Account Number 50000568
GPIN 1428960839



Property Detail

Parent Account

Owner Name City Of Norfolk

Neighborhood 141000

Property Use Non-Taxable

Plate 0511

Mailing Address 810 Union St Rm 900
Norfolk VA 23510-2717

Parcel Approximate Area (Sq Ft) 16,962

Parcel Approximate Acreage 0.3894

House Plate Number 37

Legal Description Parcel 193-A2, Blk K,
Kensington



Print Date 10/13/2015
Property Address 601 36th St
Account Number 50000568
GPIN 1428960839



Sales/Assessments

<u>Owner</u>	<u>Transfer Date</u>	<u>Sales Price</u>	<u>Type</u>	<u>Deed Reference</u>
		NA	NA	NA
		NA	NA	NA
		NA	NA	NA

<u>Effective Date</u>	<u>Land Value</u>	<u>Improvement Value</u>	<u>Total Value</u>
07/01/2015	\$110,300	\$184,200	\$294,500
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00

Print Date 10/31/2015
Property Address 601 36th St
Account Number 50000568
GPIN 1428960839



Property Detail

Parent Account

Owner Name City Of Norfolk

Neighborhood 141000

Property Use Non-Taxable

Plate 0511

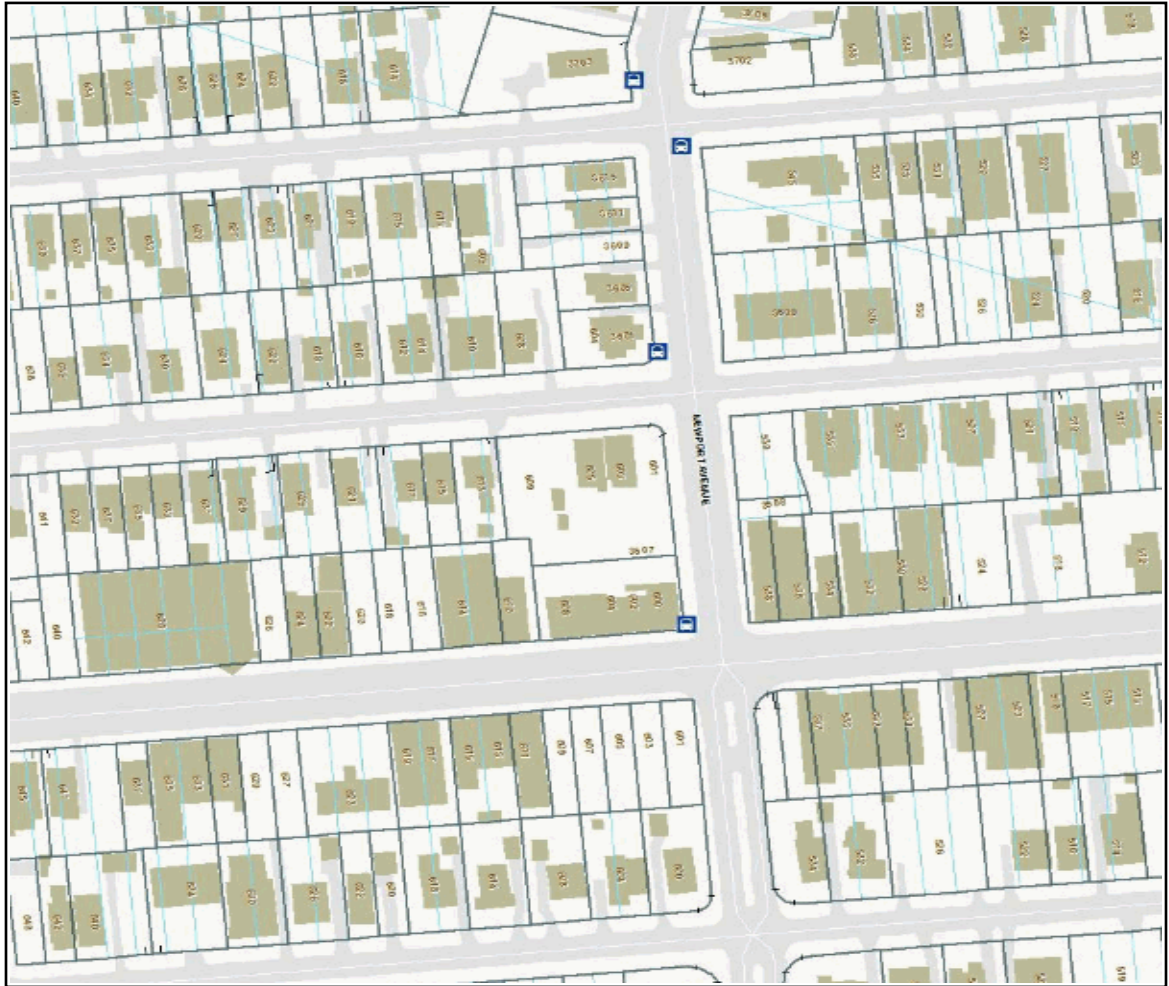
Mailing Address 810 Union St Rm 900
Norfolk VA 23510-2717

Parcel Approximate Area (Sq Ft) 16,962

Parcel Approximate Acreage 0.3894

House Plate Number 37

Legal Description Parcel 193-A2, Blk K, Kensington



Print Date 10/31/2015
Property Address 601 36th St
Account Number 50000568
GPIN 1428960839



Sales/Assessments

<u>Owner</u>	<u>Transfer Date</u>	<u>Sales Price</u>	<u>Type</u>	<u>Deed Reference</u>
		NA	NA	NA
		NA	NA	NA
		NA	NA	NA

<u>Effective Date</u>	<u>Land Value</u>	<u>Improvement Value</u>	<u>Total Value</u>
07/01/2015	\$110,300	\$184,200	\$294,500
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00

F

Third-Party RESNET
Rater Certification
(MANDATORY)



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.

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.

FALSE **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 developmen'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:  _____

Date: 12/23/21

Printed Name: Stacey Smith

RESNET Rater

Resnet Provider Agency
Viridiant _____

Signature  _____

Provider Contact and Phone/Email Sean Evensen-Shanley (804)212-1934 /sean.shanley@viridiant.org _____

G

Zoning Certification Letter
(MANDATORY)



NORFOLK

Department of City Planning

Zoning Certification

DATE: December 6, 2021

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

RE: ZONING CERTIFICATION

Name of Development: Newport Gardens

Name of Owner/Applicant: Newport Manor, LLC

Name of Seller/Current Owner: City of Norfolk

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:

603-605 W 36th Street
Norfolk, VA 23508

Legal Description:

see attached

Proposed Improvements:

<input checked="" type="checkbox"/> New Construction:	<u>50</u> # Units	<u>1</u> # Buildings	<u>33702</u> Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	_____ # Units	_____ # Buildings	_____ Total Floor Area Sq. Ft.
<input type="checkbox"/> Rehabilitation:	_____ # Units	_____ # Buildings	_____ Total Floor Area Sq. Ft.

810 Union Street, Room 508 • Norfolk, VA 23510

Phone: 757-664-4752

Zoning Certification, cont'd

Current Zoning: _____ allowing a density of _____ units per acre, and the following other applicable conditions: _____

Other Descriptive Information:

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

Printed Name

Title of Local Official or Civil Engineer

Phone:

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.

H

Attorney's Opinion
(MANDATORY)



December 20, 2021

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

RE: 2021 Tax Credit Reservation Request

Name of Development: Newport Gardens
Name of Owner: Newport Manor, 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 September 30, 2021 (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 sections of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.
5. [Intentionally Deleted. No nonprofit participation.]


6. [Intentionally Deleted. No nonprofit participation.]
7. [Intentionally Deleted. The Development is new construction.]
8. [Intentionally Deleted. The Development is new construction.]

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 the placement in service of each building of the Development, 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.

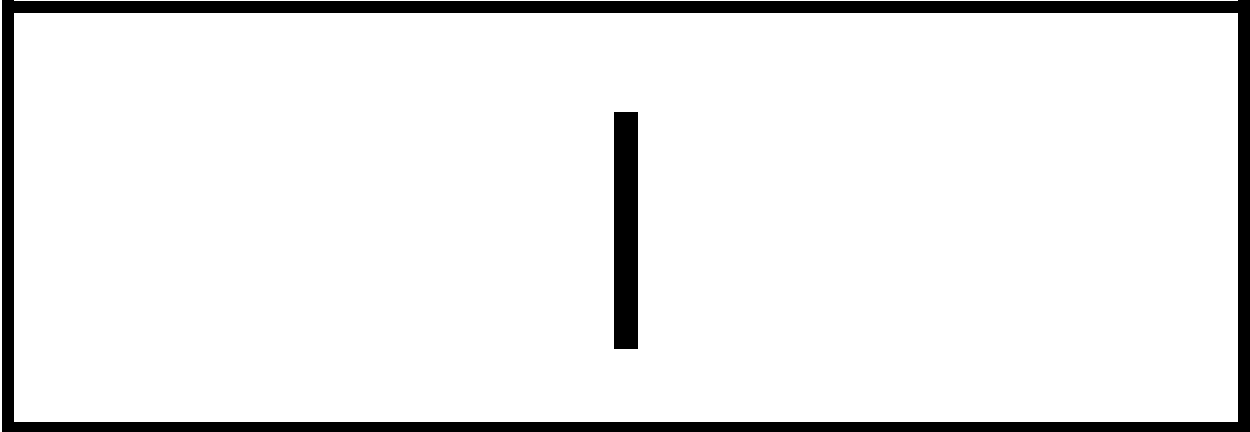
This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose.

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.

McCandlish Holton PC

By: 
Peter L. Henderer, VSB # 40994

Its: Director
(Title)



Nonprofit Questionnaire

(MANDATORY for points or pool)

**Not
Applicable**

J

Relocation Plan
Including Unit
Delivery Schedule
(MANDATORY, if tenants are displaced)

**Not
Applicable**

K

Documentation of
Development Location

K.1

Revitalization Area
Certification

Development qualifies
for Revitalization Area
Points by its location in
a Qualified Census Tract



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):

1. The development is located in a Qualified Census Tract, as defined by HUD. (10 points)
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 target area for single-family purposes, but do not include ACEDS. (10 points)
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. (10 points)
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. (15 points)
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. (15 points)

*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.

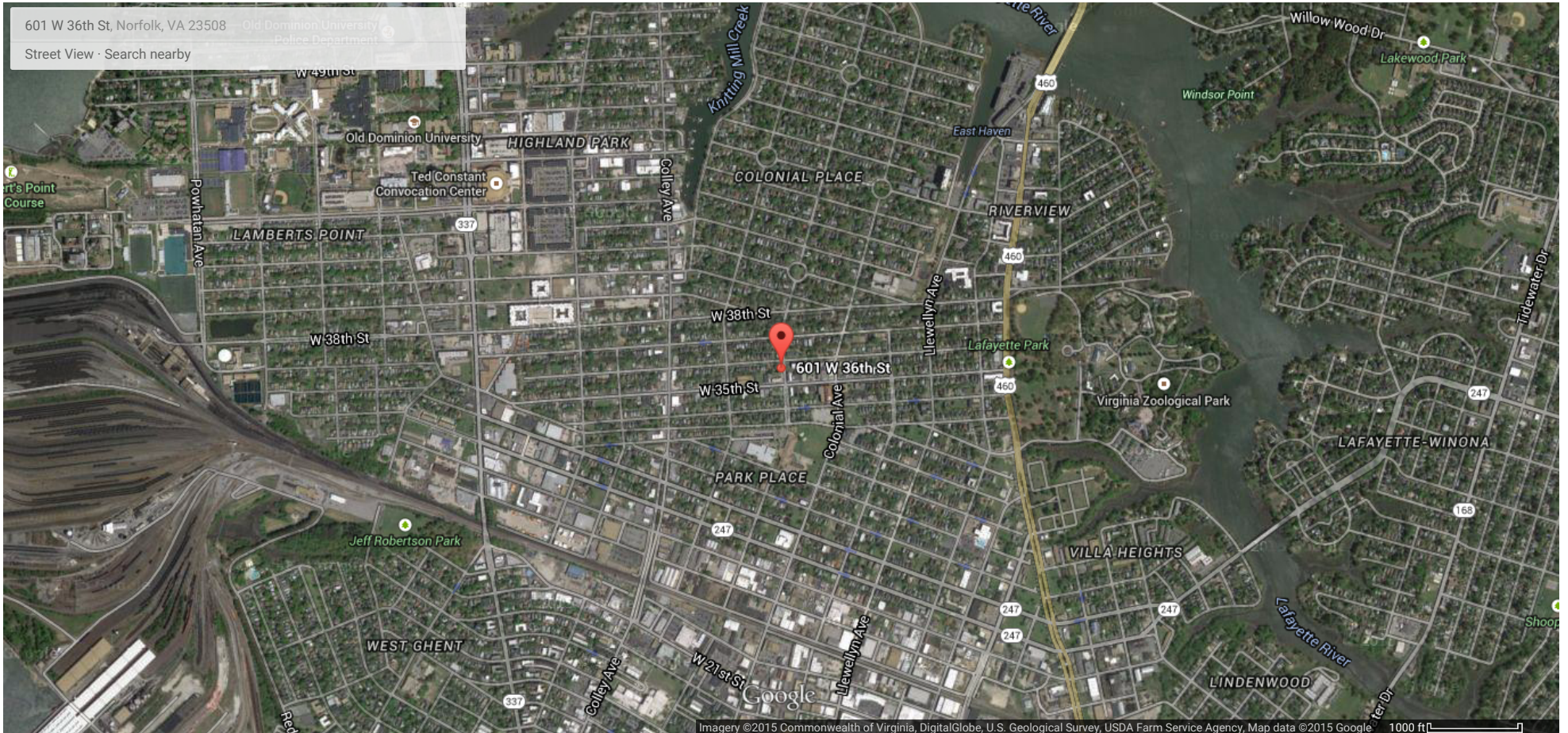
6. The development is located in a Qualified Opportunity Zone and has a binding commitment of funding. Documentation must include a firm commitment of funding from a Qualified Opportunity Fund (QOF). Evidence of the self-certification to become a QOF must be provided with the commitment for funding. (15 points)

K.2

Location Map

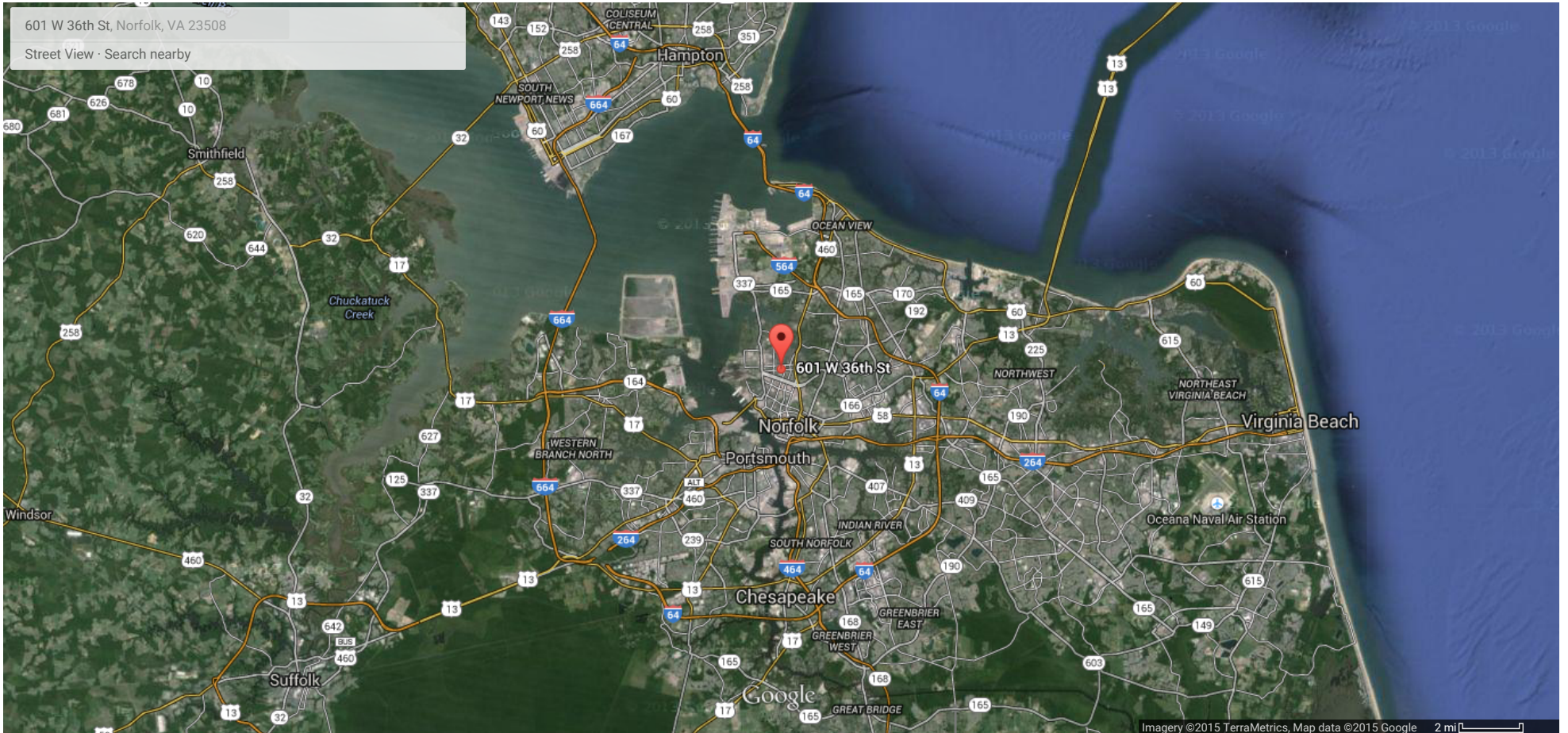
601 W 36th St, Norfolk, VA 23508 - Old Dominion University

Street View · Search nearby



601 W 36th St, Norfolk, VA 23508

Street View · Search nearby



K.3

Surveyor's Certification of
Proximity to Public
Transportation

Surveyor's Certification of Proximity to Transportation

General Instructions

1. This form must be included with the Application
2. This Letter must be submitted under the Surveyor's or Engineer's Corporate Letterhead
3. Any change in this form may result in a reduction of points under the scoring system.
4. If you have any questions, please call the Tax Credit Allocation Department (804) 343-5518.



Surveyor's Certification of Proximity to Transportation

DATE: 09/30/2021

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

RE: 2021 Tax Credit Reservation Request

Name of Development: Newport Gardens
Name of Owner: Newport Manor, 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.

SilverCore
Firm Name

By: Jeff Staub

Its: Principal
Title



L

PHA/Section 8 Notification
Letter



PHA or Section 8 Notification Letter

Development Name: _____
Tracking #: _____

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 100% 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 the application.
4. 'Proposed Improvements' should correspond with the Application.
5. 'Proposed Rents' should correspond with 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:

TO:

RE: PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: _____

Name of Owner: _____

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 Virginia Housing. 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 _____ (date).

The following is a brief description of the proposed development:

Development Address:

Proposed Improvements:

- New Constr.: _____ # units _____ # Bldgs
 Adaptive Reuse: _____ # units _____ # Bldgs
 Rehabilitation: _____ # units _____ # Bldgs

Proposed Rents:

- Efficiencies:** \$ _____ / month
 1 Bedroom Units: \$ _____ / month
 2 Bedroom Units: \$ _____ / month
 3 Bedroom Units: \$ _____ / month
 4 Bedroom Units: \$ _____ / month

Other Descriptive Information:

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) 236-4834.

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

Sincerely yours,

Kelvin G. Hanson

Name

President, The Hanson Company, LLC

Title

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

Seen and Acknowledged By: 

Printed Name: Pamela B. Jones-Watford

Title: HCV Director

Phone: (757) 624-8629

Date: 12/08/2021

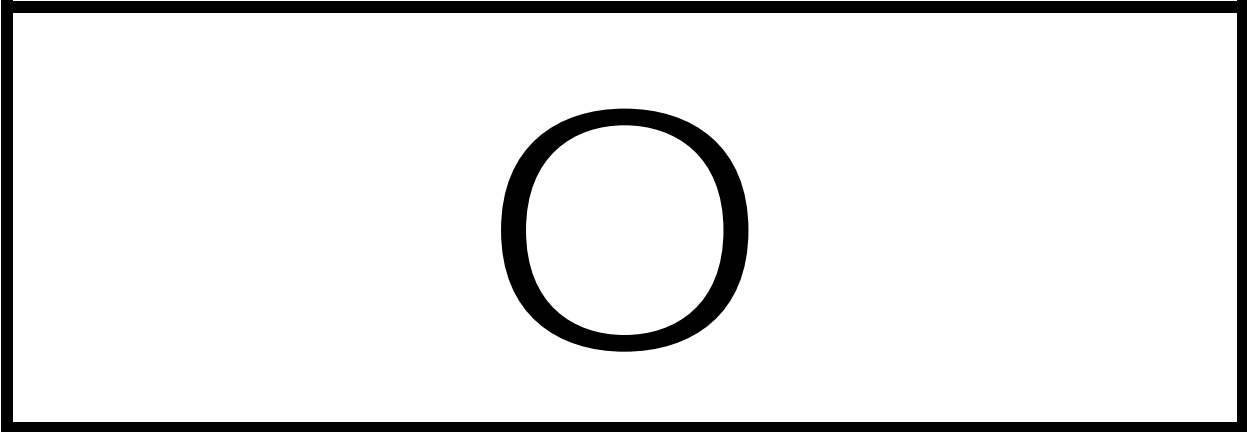
M

Locality CEO Response
Letter

N

Homeownership Plan

The application is not seeking points in this category



O

Plan of Development
Certification Letter

Plan of Development Certification

DATE: 9/15/2021

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

RE: PLAN OF DEVELOPMENT CERTIFICATION

Name of Development:	<u>Newport Gardens</u>
Name of Owner/Applicant:	<u>NEWPORT MANOR, LLC</u>
Name of Seller/Current Owner:	<u>CITY OF NORFOLK</u>

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the site plan of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming the status of plan of development or site plan approval of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely for the purpose of determining whether the Development qualifies for points available under VHDA's Qualified Allocation Plan.

DEVELOPMENT DESCRIPTION:

Development Address:
603 W 36th Street Norfolk, VA 23510

Legal Description:
See attached

Plan of Development Number: _____

Proposed Improvements:

<input checked="" type="checkbox"/> New Construction:	<u>50</u>	# Units	<u>1</u>	# Buildings	<u>38,763.81</u>	Total Floor Area
<input type="checkbox"/> Adaptive Reuse:	<u> </u>	# Units	<u> </u>	# Buildings	<u> </u>	Total Floor Area
<input type="checkbox"/> Rehabilitation:	<u> </u>	# Units	<u> </u>	# Buildings	<u> </u>	Total Floor Area

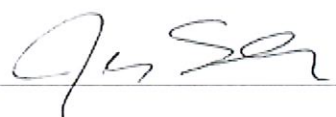
Other Descriptive Information:

LOCAL CERTIFICATION:

Check one of the following as appropriate:

- The proposed development described above has an approved final plan of development or site plan (as applicable to the site). No further plan of development or site plan approval is required before issuance of a building permit. Project has conditional site plan approval - requires pre-construction meeting following execution of Stormwater Declaration of Covenants and Credit Affidavit. Approval attached.
- The proposed development is an existing development with proposed renovations and no additional plan of development approval is needed.

The above plan of development approval is in effect until: June 10, 2024



 Signed
 Jeremy Sharp

 Printed Name
 Zoning Administrator

 Title
 757-439-4833

 Phone
 9/29/2021

 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 a reduction of points under the scoring system. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions)
 537 N. 2nd Street
 Richmond, VA 23219

B Name and address of housing credit agency
 Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

C Name, address, and TIN of building owner receiving allocation
 Eggleston Plaza II LP
 927 Hull Street
 Richmond, VA 23224

D Employer identification number of agency
 54-0921892

E Building identification number (BIN)


VA1557012

TIN ▶ 45-4497369

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$122,734
2 Maximum applicable credit percentage allowable (see instructions)		2	3.22 %
3a Maximum qualified basis		3a	\$3,811,615
b Check here <input type="checkbox"/> If the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)		3b	1 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	67.28 %
5 Date building placed in service	▶ 8/1/2017		
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input checked="" type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input type="checkbox"/> Existing building	
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

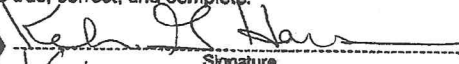
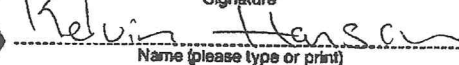
Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.


John D. Bondurant, Authorized Officer
12.12.18
 Signature of authorized official Name (please type or print) Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	3,811,615	
8a Original qualified basis of the building at close of first year of credit period	8a	3,211,615	
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		<input type="checkbox"/> Yes <input type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)?		<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election.			
Caution: Once made, the following elections are irrevocable.			
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))		<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions):			
<input type="checkbox"/> 20-50	<input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> Average income	<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)			
		<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.


45-4497369
3/1/19
 Signature Taxpayer identification number Date

2017
 Name (please type or print) First year of the credit period

Eggleston Plaza II LP

Minimum set-aside requirement is 40-60

Question 8b

<u>Address</u>	<u>BIN #</u>	
535 N 2nd Street	VA1557001	5,409.00
12 E. Jackson Street	VA1557002	3,451.00
14 E. Jackson Street	VA1557003	3,451.00
16 E. Jackson Street	VA1557004	3,451.00
18 E. Jackson Street	VA1557005	3,451.00
20 E. Jackson Street	VA1557006	3,451.00
22 E. Jackson Street	VA1557007	3,451.00
24 E. Jackson Street	VA1557008	3,451.00
26 E. Jackson Street	VA1557009	3,451.00
700 N 1st Street	VA1557010	3,451.00
702 N 1st Steet	VA1557011	3,451.00
537 N 2nd Street	VA1557012	122,734.00
		162,653.00

Low-Income Housing Credit Allocation Certification

Part I Allocation of Credit.

Check Addition to Qualified Basis Amortized Form

A Address of building (do not use P. O. box) (see instructions) 1012 - 1014 Hull Street Richmond, VA 23224	B Name and address of housing credit agency Virginia Housing Development Authority 602 S. Bolvidere Street Richmond, VA 23220-6504
C Name, address, and TIN of building owner receiving allocation Old Manchester Plaza, LP 215 West Clay Street, Suite A Richmond, VA 23220-3914 TIN ▶ 381120251	D Employer identification number of agency 54-0921892
	E Building identification number (BIN) VA0760000

1a Date of allocation ▶ NA b Maximum housing credit dollar amount allowable.	1b	\$191,647
2 Maximum applicable credit percentage allowable	2	3.30%
3a Maximum qualified basis	3a	\$5,807,485
	3b	130%
If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		
<input type="checkbox"/> Building located in the Gull Opportunity (GO) Zone, Alta GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(e)(5)(C) high cost area provisions		
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter 0-0)	4	54.52%
5 Date building placed in service		03/13/09
6 Check the boxes that describe the allocation for the building (check those that apply):		
a <input checked="" type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input type="checkbox"/> Existing building
d <input type="checkbox"/> Sec. 42(a) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(a) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	g <input type="checkbox"/> Allocation subject to nonprofit not-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official - Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct and complete.

JAMES H. CHANDLER
 AUTHORIZED OFFICER
 Name (please type or print)

Date **5-18-10**

Part II First-Year Certification - Completed by Building Owners with respect to the first Year of the Credit Period.

7 Eligible basis of building (see instructions)	7	5,707,485
8a Original qualified basis of the building at close of first year of credit period	8a	5,707,485
b Are you treating this building as part of a multiple building project for purposes of section 48 (see instructions)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9a If box 8a or box 8d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(5)(B)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(i)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions)	<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-50 <input type="checkbox"/> 25-50 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that the above building qualifies as a part of a qualified low-income housing project and meets the requirements of Internal Code section 42. I have examined this form and attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Kelvin G. Hanson
 Signature

33-1120261
 Taxpayer identification number

Date **7/10/10**

Kelvin G. Hanson
 Name (please type or print)

2009
 Tax year



March 8, 2011

Mr. Kelvin Hanson
Washington Plaza Associates, LP
1011 Hull Street
Richmond, VA 23224

Re: Booker T. Washington Plaza
Low Income Housing Tax Credits

Dear Mr. Hanson:

Enclosed is an executed original of Form 8609 for each building of your development that you have indicated has been placed in service (within the meaning of that term under the Internal Revenue Code as it applies to the type of credit allocated to those buildings). IRS Form 8609 Part I, and Part II (must be completed and signed even if an allocation of credit by a housing credit agency is not required, as in the case of a building financed by tax-exempt bonds), and Schedule A must be completed and sent to the IRS for each tax year a credit is claimed. Please see the enclosed instructions for the IRS address.

Please be advised that wrong addresses or placed in service information on the 8609 form may cause tax credits to be invalid and you may be subject to recapture by the IRS. This lack of attention to a major detail of the application process has caused an unnecessary burden on VHDA's staff. VHDA will charge \$100 for each 8609 form that must be corrected due to inaccurate information on the 8609 application.

If you have any questions, please call me at (804) 343-5786.

Sincerely,

James M. Chandler
Director of LIHTC Programs

JMC/rr

Enclosures

Low-Income Housing Credit Allocation Certification

Part I Allocation of Credit.


Check If: Addition to Qualified Basis Amended Form

A Address of building (do not use P. O. box) (see instructions) 21 East Leigh Street Richmond, VA 23219	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220-6504
C Name, address, and TIN of building owner receiving allocation Washington Plaza Associates, L. P. 1011 Hull Street Richmond, VA 23224 TIN ▶ 20-8525350	D Employer identification number of agency 54-0921892
	E Building identification number (BIN) VA0961001

1a Date of allocation ▶ NA	b Maximum housing credit dollar amount allowable.	1b	\$95,660
2 Maximum applicable credit percentage allowable		2	3.36%
3a Maximum qualified basis		3a	\$2,847,024
If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible was increased (see instructions)		3b	130%
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(C) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	51.14%
5 Date building placed in service	▶ 05/15/10		
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input type="checkbox"/> Existing building	
d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official – Completed by Housing Credit Agency Only

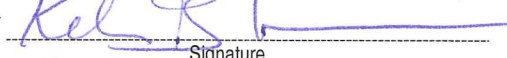
Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct and complete.

▶  Signature of authorized official	JAMES M. CHANDLER AUTHORIZED OFFICER	▶ 3-8-11 Date
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Part II First-Year Certification – Completed by Building Owners with respect to the first Year of the Credit Period

7 Eligible basis of building (see instructions)	7	
8a Original qualified basis of the building at close of first year of credit period	8a	
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that the above building continues to qualify as a part of a qualified low-income housing project and meets the requirements of Internal Code section 42. I have examined this form and attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶  Signature	▶ 208525350 Taxpayer identification number	▶ 3/21/11 Date
▶ Kelvin G. Hansen Name (please type or print)	▶ 2010 Tax year	

Q

Documentation of
Rental Assistance, Tax
Abatement and/or
Existing HUD/RD



Ronald Jackson, *Executive Director*

➤ Commissioners

Donald Musacchio, *Chair*
Alphonso Albert, *Vice Chair*
Rose Arrington
Ken Benassi
Joe Dillard
Richard Gresham
Suzanne Puryear

January 19, 2021

Newport Plaza LLC
ATTN: Kelvin Hanson
927 Hull St.
Richmond, VA 23224

Dear Mr. Hanson:

NRHA has reviewed the proposals received in response to the PBV solicitation. This is a letter of intent to notify you that the below referenced project has been selected to be awarded PBV rental assistance.

Development Name:	Newport Gardens
Development Address:	600 West 35 th St., Norfolk, VA 23508
Owner/Developer Name:	Newport Plaza LLC
Owner/Developer Address:	927 Hull St. Richmond, VA 23224
Owner/Developer Contact Person:	Kelvin Hanson
Contact Telephone Number:	804-325-3797
Contact Email Address:	kgh@thehansonco.com
Total Number of Units	50
Proposed Number of PBV Units	8

NRHA is required to select PBV proposals which meet the mandatory HUD criteria for the PBV program and that are in accordance with the competitive selection procedures of NRHA’s Administrative Plan. Based on the below criteria this project meets the HUD Mandatory Criteria and ranks competitively in satisfying the NRHA’s PHA Administrative Plan requirements.

HUD Mandatory Criteria include:

- The location of the project is within the PHA’s jurisdiction or the PHA has been authorized to administer the program in accordance with 24 CFR 982
- The proposal is for an eligible housing type.
- The owner has site control.
- For new construction and rehabilitation housing, construction has not started.
- The project does not exceed the 25 percent cap with exceptions provided for in 24 CFR 983.56(b).



- Gross rents are within the PHA’s payment standards.
- Proposed project is consistent with local PHA requirements stated in the RFP.
- The owner is eligible, not on the GSA list of contractors excluded from participation in federal procurements, and does not have a conflict of interest.
- The project will be available for occupancy 24 months.
- The proposal is complete.

This project meets the HUD Mandatory Criteria and ranks competitively in satisfying the NRHA’s PHA Administrative Plan requirements.

HUD stipulates that the initial rent for a PBV project may not exceed the lessor of:

- 110 percent of the applicable fair market rent (or any exception payment standard approved by the Secretary of HUD) for the unit bedroom size minus any applicable utility allowances;
- The reasonable rent; or
- The rent requested by the owner.

NRHA is issuing this Letter of Intent to award rental housing assistance utilizing the 2020 fair market rents for Norfolk, Virginia as a basis under the following proposed contract rent schedule:

Rent Scheduled and Proposed Contract Rents (The gross rents listed in the submitted proposal exceeds the current payment standards) Prior to submitting your subsidy layering review for HUD approval; NRHA will conduct a rent reasonableness review to identify the initial monthly contract rents.

Unit Size	# of Units	Proposed Monthly Contract Rent per Unit	Monthly Utility Allowance	Proposed Gross Contract Rent per unit
2 Bedrooms	8	\$1,147.00	\$264.00	\$1,411.00

Note: Prior to executing the Agreement to Enter into a Housing Assistance Payments Contract (AHAP), you must comply with the following:

Environmental Review Requirement (ER)

All PBV projects are subject to HUD environmental regulations found at 24 CFR parts 50 and 58. Written documentation is required from the community’s “responsible entity” that the project either complies with all environmental requirements as stated in the National Environmental



Policy Act (NEPA) or is categorically excluded from a federal environmental review under NEPA. The “responsibility entity” is generally an official from the city or the local community development office. A copy of the complete ER file that includes the review, the public notice, the request for release of funds (RROF) and HUD’s letter approving the RROF must be submitted to NRHA

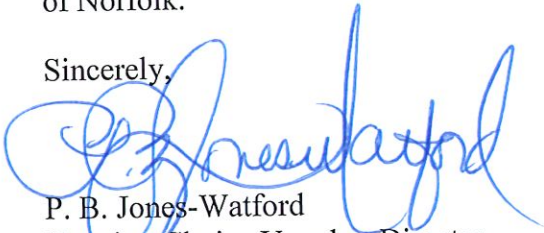
Subsidy Layering Review (SLR)

SLRs must be completed and approved by HUD for all PBV projects that utilize other publicly supported housing funds. The SLR is intended to prevent excessive public assistance for the housing by combining (layering) housing assistance subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits (24 CFR 983.55)

Should you have any questions concerning this Letter of Intent or the NRHA –PBV Program, please feel free to contact me at 757-624-8629 or via email at pjoneswatford@nrha.us.

NRHA looks forward to working with you in providing affordable rental housing to the residents of Norfolk.

Sincerely,



P. B. Jones-Watford
Housing Choice Voucher Director



R

Documentation of
Operating Budget
and Utility Allowance

S

Supportive Housing
Certification

**Not
Applicable**

T

Funding Documentation

July 1, 2019

Kelvin Hanson
927 Hull Street
Richmond, VA 23224

Dear Mr. Hanson:

On behalf of the City of Norfolk I want to thank you for your investment in the City of Norfolk and the Park Place community. Similar to your Newport Plaza project, we feel the proposed Newport Manor development is a perfect fit in the community and will continue to spur additional development in this area.

With regard to assistance closing the financial gap for the proposed 50 unit new construction apartment community located in the 600 block of West 35th Street, the city has agreed to relinquish the land acquisition cost valued at \$200,000. Of the \$200,000, you shall only pay \$32,314 for the assessed value of a parcel needed to satisfy city parking requirements. Thus, putting the net relinquished acquisition cost/city's financial contribution to the transaction at \$167,686.

We look forward to a continued working relationship and are here to assist you with anything you might need in the future. Please do not hesitate to contact me with any questions.

Sincerely,



Jared Chalk



Ralph S. Northam
Governor

R. Brian Ball
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

Erik C. Johnston
Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

July 13, 2021

Mr. Kelvin Hanson
President
The Hanson Company
927 Hull Street
Richmond, VA 23224
Via: kgh@thehansonco.com

Proposed Affordable & Special Needs Housing Financing Offer

Dear Mr. Kelvin Hanson,

I am pleased to advise you that the Department of Housing and Community Development has approved the request of The Hanson Company's THC Newport Gardens project. Included with this letter are the proposed rate and terms granted to you in accordance with your project description.

Please note, that upon agreement you will receive further communication regarding program agreement(s) within the next few weeks. These program agreements must be fully executed within 12 months from the date of this letter in order for this preliminary offer to result in a program commitment and reservation of funds.

Please review the attached offer letter carefully, and attach any updated or new information with your response as it may pertain to this project. For projects, which are awarded a HOME or NHTF award a HUD required environmental review must be completed prior to execution of a program agreement. In addition, any adjustment to the capital budget, operating expense budget, pro forma numbers, and other project parameters must be approved by DHCD before the program agreements may be executed.

At your earliest convenience, please submit your project's Phase I Environmental Assessment to DHCD staff for review. If your project is financed utilizing HOME or NHTF funds, please prepare and submit the Part 58 checklist with your EA to DHCD staff. The Part 58 Checklist may be found on DHCD's website under Affordable and Special Needs Housing.

We are looking forward to working with you to provide affordable housing, if you have any questions as it pertains to this offer please feel free to contact me. I can be reached at:
Michael.haas@dhcd.virginia.gov or 804-371-7116.

Sincerely,

Michael Haas
Housing Finance Program Manager



Terms & Conditions
THC Newport Gardens
306 W 36th Street
Norfolk, VA 23508

The Department of Housing and Community Development herein referred to as DHCD (“Lender”), has approved the request of The Hanson Company, whom is listed as the developer of the project and herein is referred to as (“Developer”) regarding THC Newport Gardens (“Project”), which will be owned by Newport Manor LLC (“Owner”). Please review the following information as it pertains to your project:

The Project is awarded \$850,000.00 of Virginia Housing Trust Fund funding. Please review the following proposed terms and conditions carefully, and notate any questions you may have for DHCD staff:

Interest Rate	1.5% Fixed
Loan Repayment Period	360 months (Interest Only)
Loan Amortization Schedule	360 months
Mandatory Compliance Period	360 months (from date of loan closing)
Extended Affordability Period	n/a

The compliance and repayment period begins upon loan closing. This loan constitutes permanent, must pay hard debt, which is not cash flow dependent. Deferred principle & accrued interest shall be forgiven at the end of a successful 30-year mandatory compliance and/or affordability period.

This debt is eligible to be utilized as a sponsor loan towards the project. If the Developer wishes to do so, a copy of the loan terms and agreements must be provided to the Lender for approval prior to commitment to the project. Failure to do so will lead to a revocation of this offer, and if applicable a demand notice for repayment of any disbursed funds.

It is the intention of the lender to disburse the VHTF award as part of the permanent financing package upon final permanent close, which includes the issuance of the final Certificate of Occupancy or Certificate of Substantial Completion.

Final permanent close shall commence upon receipt of acceptable title, survey & environmental reports, closing of other required funding, customary due diligence,



rehab completion (if applicable), rental occupancy report, and issuance of COO/CSC by a local building official. Impediments to loan closing include, but are not limited to: failure to complete construction/renovations, due diligence items, or rent & occupancy requirements for the project in accordance with HOME, NHTF, and/or VHTF requirements (whichever is applicable).

NHTF & HOME: This Agreement does not constitute a commitment of funds or site approval, and the commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by DHCD of an approval of the request for release of funds and certification from the U.S. Department of Housing and Urban Development under 24 CFR Part 58. The provision of any funds to the project is conditioned on the Virginia Department of Housing and Community Developments' determination to proceed with, modify, or cancel the project based on the results of the environmental review. Projects awarded NHTF must in addition meet the Housing Trust Fund Environmental Provisions at 24 CFR 93.301(f). The state, subrecipient, and/or project owner may not undertake or commit funds to physical or choice-limiting actions. Physical or choice-limiting actions include entering into contracts (including conditional contracts) for property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance. Any violation of this provision may result in the denial of funds under the agreement.

DHCD shall be placed in the 2nd lien position, unless otherwise approved by the agency. Program agreements must be executed within 12 months of this letter, with an estimated closing of permanent debt to take place no later than 24 months after construction start. Failure to execute a program agreement within 12 months could result in a de-obligation of funds to your project.

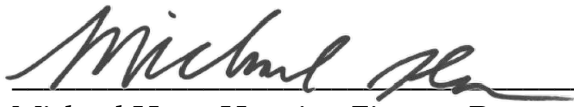
Please execute and return one copy of this document to Michael Haas, Housing Finance Program Manager. Once received DHCD will be in communication with you regarding next steps.

It is our sincere pleasure to make this financing proposal to you; we look forward to your acceptance, and to our continuing relationship.

Sincerely,



Department of Housing & Community Development



Michael Haas: Housing Finance Program Manager

The undersigned accepts the obligation of funds, and agrees to the programmatic terms & conditions of the foregoing commitment:

_____ (Authorized Officer)

By: _____ Its: _____

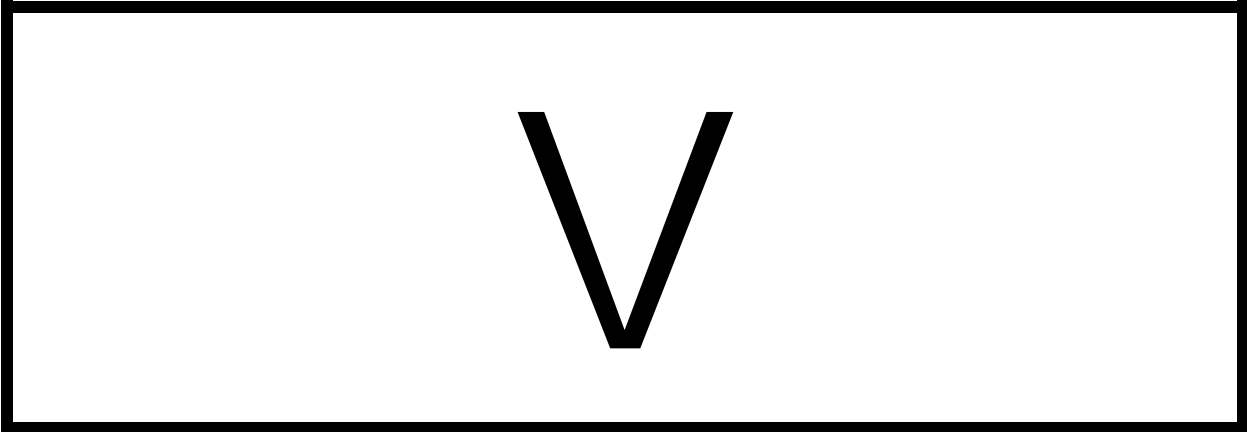
Date: _____



U

Documentation to
Request Exception to
Restriction-Pools with
Little/No Increase in Rent
Burdened Population

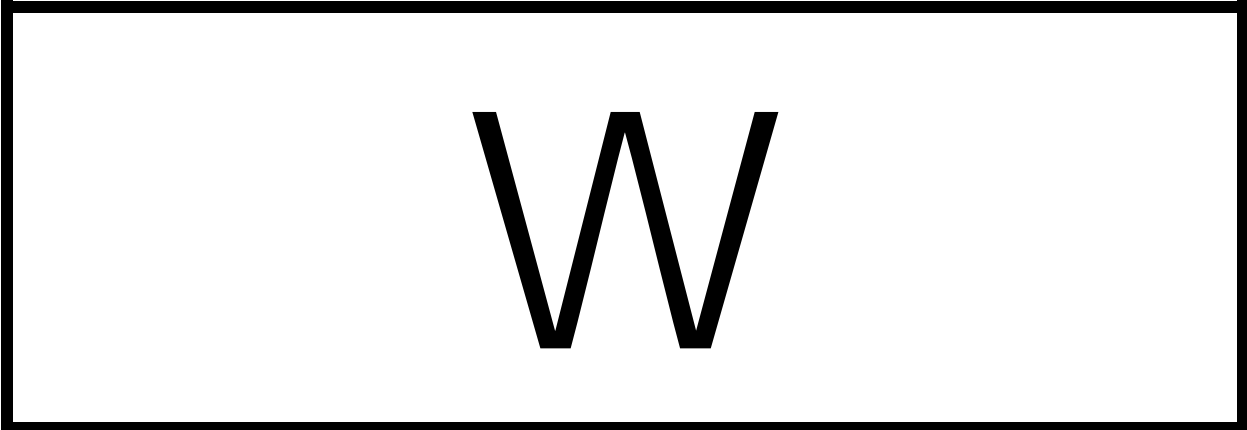
**Not
Applicable**



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

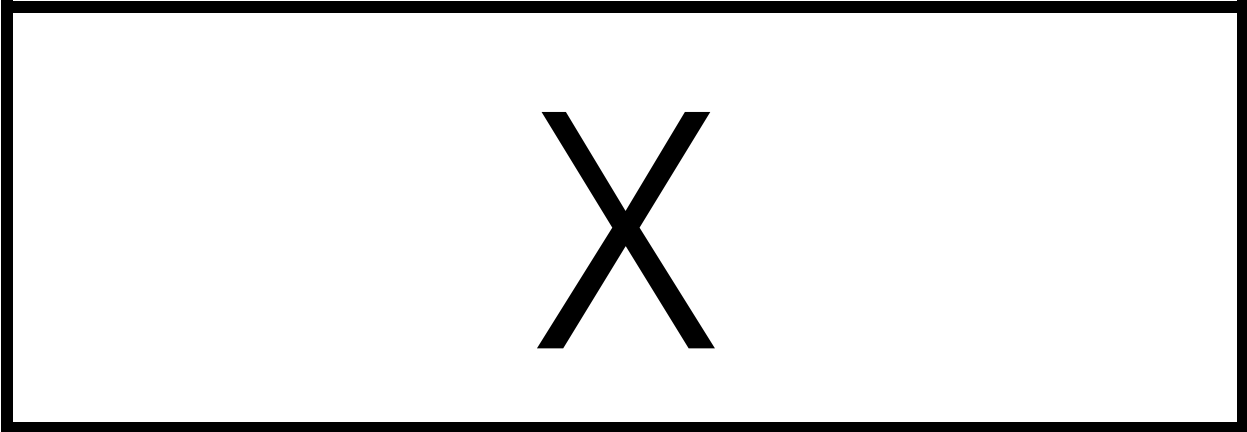
The application is not seeking points in this category



W

Internet Safety Plan and
Resident Information
Form

The application is not seeking points in this category



X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

**Not
Applicable**

Y

Inducement Resolution
for Tax Exempt Bonds