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# 2019 Federal Low Income Housing Tax Credit Program

## Application For Reservation

### **Deadline for Submission**

#### 9% Competitive Credits

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

#### Tax Exempt Bonds

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



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

## INSTRUCTIONS FOR THE VIRGINIA 2019 LIHTC APPLICATION FOR RESERVATION

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

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

### Applications For 9% Competitive Credits

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

### **Please Note:**

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

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

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

### **IMPORTANT:**

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

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

### Disclaimer:

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

### Entering Data:

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

### **Please Note:**

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

### Assistance:

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

### VHDA LIHTC Allocation Staff Contact Information

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

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

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

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

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/14/2019

1. Development Name: Friendship Court Phase 1
2. Address (line 1): Parcel 280112000 (38.025594, -78.480728 M  
 Address (line 2): (38.027437, -78.479698 Garrett St) Address to  
 City: Charlottesville State: VA Zip: 22902
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: See Above Latitude: See Above  
 (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 Charlottesville 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: 4.01
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** ..... FALSE
10. Development is located in a **Revitalization Area designated by resolution** ..... TRUE
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE  
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)
12. Development is located in a census tract with a poverty rate of.....
 

	3%	10%	12%
	FALSE	FALSE	FALSE

Enter only Numeric Values below:

13. Congressional District: 5
- Planning District: 10
- State Senate District: 25
- State House District: 57

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

[Link to VHDA's HOME - Select Virginia LIHTC Reference Map](#)

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

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

106 new construction units for families in 3 buildings (2 townhouse style buildings and 1 multifamily building). The townhouse style buildings will include 35 units; the multifamily will include 71 units. 46 of the existing Section 8 residents of Friendship Court will move following completion of construction of Phase 1.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

3/14/2019

16. Local Needs and Support

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

Chief Executive Officer's Name: Michael Murphy  
 Chief Executive Officer's Title: Interim City Manager, City of Charlottesville Phone: 434-970-3890  
 Street Address: 605 East Main Street  
 City: Charlottesville State: VA Zip: 22902

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Brendy Kelley, Redevelopment Manager

- 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:

Northwest / North Central VA Pool

or

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

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

Carryforward Allocation

Definitions of types:

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

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

3. **Select Building Allocation type:**

New Construction

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

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

FALSE

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

FALSE

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

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

FALSE

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

Total Units within 9% allocation request? 0

Total Units within 4% Tax Exempt allocation Request? 0

Total Units: 0

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

6. **Extended Use Restriction**

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

**Must Select One:** 30

**Definition of selection:**

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

**C. OWNERSHIP INFORMATION**

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

**1. Owner Information:** *Must be an individual or legally formed entity.*

Owner Name: FC Phase 1 LLC

Developer Name: Piedmont Housing Alliance and NHT Communities

Contact: M/M ▶ Mr. First: Sunshine MI:          Last: Mathon

Address: 682 Berkmar Circle

City: Charlottesville St. ▶ VA Zip: 22901

Phone: (434) 817-2436 Ext.          Fax: (434) 817-0664

Email address: SMathon@PiedmontHousing.org

Federal I.D. No.                                  (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.  
Beth Kennan, 434-422-4837, BKennan@PiedmontHousing.org

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

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

<u>Names **</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>	
FC Phase 1 Managing Member LLC	(434) 817-2436	Managing Member		<i>needs</i>
Piedmont Housing Alliance	(434) 817-2436	50% of MM	50.000%	
Sunshine Mathon	(434) 817-2436	ED of PHA	0.000%	<i>needs</i>
NHT Communities	(202) 333-8931	50% of MM	50.000%	
Priya Jayachandran	(202) 333-8931	President of NHTC	0.000%	<i>needs</i>
			0.000%	
			0.000%	

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

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



**C. OWNERSHIP INFORMATION**

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

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

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

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

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

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

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

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

D. SITE CONTROL

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

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

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

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

1. Type of Site Control by Owner:

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

Select Type:      ▶ Option  
Expiration Date:      5/1/2020

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

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

- a. FALSE ..... Owner already controls site by either deed or long-term lease.
- b. TRUE ..... Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 5/20/2020 .
- 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: NHTE Piedmont Garrett Square Limited Partnership

Address: 1101 30th St NW, Suite 100A

City: Washington St.: DC Zip: 20007

Contact Person: Kevin White Phone: (202) 333-8931

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

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

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

Names	Phone	Type Ownership	% Ownership	
NHTE Piedmont Garrett Square - 1, L.L	(202) 333-8931	General Partner		<i>needs ownership %</i>
Piedmont Housing Alliance	(434) 814-2436	Member of GP	50.00%	
Sunshine Mathon	(434) 814-2436	ED of PHA	0.00%	<i>needs ownership %</i>
NHT Communities	202 above	Member of GP	50.00%	
Priya Jayachandran	202 above	President of NHT Communitie	0.00%	<i>#REF!</i>
			0.00%	<i>needs ownership %</i>
			0.00%	

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

### E. DEVELOPMENT TEAM INFORMATION

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

- |                          |   |                           |                              |
|--------------------------|---|---------------------------|------------------------------|
| 1. Tax Attorney:         | <u>Erik Hoffman</u>   | This is a Related Entity. | <u>FALSE</u>                 |
| Firm Name:               | <u>Klein Hornig LLP</u>   |                           |                              |
| Address:                 | <u>1325 G Street NW, Suite 770, Washington DC 20005</u>           |                           |                              |
| Email:                   | <u>EHoffman@KleinHornig.com</u>                                   | Phone:                    | <u>202-842-0125</u>          |
| 2. Tax Accountant:       | <u>Todd S. Vernon</u>   | This is a Related Entity. | <u>FALSE</u>                 |
| Firm Name:               | <u>Dooley &amp; Vicars CPAs, LLP</u>                              |                           |                              |
| Address:                 | <u>21 S.Sheppard St, Richmond VA 23221</u>                        |                           |                              |
| Email:                   | <u>Todd@DVCPAs.com</u>  | Phone:                    | <u>(804) 355-2808</u>        |
| 3. Consultant:           | <u>Gerry Joseph</u>   | This is a Related Entity. | <u>FALSE</u>                 |
| Firm Name:               | <u>Joseph Browne Development Associates</u>                       | Role:                     | <u>Tax Credit Consultant</u> |
| Address:                 | <u>1410 Ingraham Street NW, Washington DC 20011</u>               |                           |                              |
| Email:                   | <u>Gerry@Joseph-Browne.com</u>                                    | Phone:                    | <u>202-829-1251</u>          |
| 4. Management Entity:    | <u>Amanda L. Chandler</u>   | This is a Related Entity. | <u>TRUE</u>                  |
| Firm Name:               | <u>Alliance Management</u>  |                           |                              |
| Address:                 | <u>682 Berkmar Circle, Charlottesville VA 22901</u>               |                           |                              |
| Email:                   | <u>AChandler@PiedmontHousing.org</u>                              | Phone:                    | <u>(434) 906-2737</u>        |
| 5. Contractor:           | <u>John Kim</u>   | This is a Related Entity. | <u>FALSE</u>                 |
| Firm Name:               | <u>Harkins Builders</u>   |                           |                              |
| Address:                 | <u>10490 Little Patuxent Parkway, Suite 400 Columbia MD 21044</u> |                           |                              |
| Email:                   | <u>JKim@HarkinsBuilders.com</u>                                   | Phone:                    | <u>(410) 480-4208</u>        |
| 6. Architect:            | <u>Jim Boyd</u>   | This is a Related Entity. | <u>FALSE</u>                 |
| Firm Name:               | <u>Grimm and Parker</u>   |                           |                              |
| Address:                 | <u>123 E Main St, 2nd Fl, Charlottesville VA 22902</u>            |                           |                              |
| Email:                   | <u>JBoyd@GPArch.com</u>   | Phone:                    | <u>(434) 296-5353</u>        |
| 7. Real Estate Attorney: | <u>Tara Boyd</u>  | This is a Related Entity. | <u>FALSE</u>                 |
| Firm Name:               | <u>Boyd &amp; Sipe</u>  |                           |                              |
| Address:                 | <u>126 Garrett St Suite A, Charlottesville VA 22902</u>           |                           |                              |
| Email:                   | <u>Tara@BoydandSipe.com</u>                                       | Phone:                    | <u>(804) 248-8713</u>        |
| 8. Mortgage Banker:      | <u>Paul Browne</u>  | This is a Related Entity. | <u>FALSE</u>                 |
| Firm Name:               | <u>Joseph Brown Development Associates</u>                        |                           |                              |
| Address:                 | <u>1810 N. Danville Street, Arlington VA 22201</u>                |                           |                              |
| Email:                   | <u>Paul@Joseph-Browne.com</u>                                     | Phone:                    | <u>703-835-4964</u>          |
| 9. Other:                | <u></u>   | This is a Related Entity. | <u>FALSE</u>                 |
| Firm Name:               | <u></u>   | Role:                     | <u></u>                      |
| Address:                 | <u></u>   |                           |                              |
| Email:                   | <u></u>   | Phone:                    | <u></u>                      |

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

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

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

2. Ten-Year Rule For Acquisition Credits

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

F. REHAB INFORMATION

3. Rehabilitation Credit Information

- a. Credits are being requested for rehabilitation expenditures..... FALSE  
If no credits are being requested for rehabilitation expenditures, go on to Part 4
- b. Minimum Expenditure Requirements
  - i. All buildings in the development satisfy the rehab costs per unit requirement of IRS Section 42(e)(3)(A)(ii)..... FALSE
  - ii. All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only)..... FALSE
  - iii. All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception..... FALSE
  - iv. There are different circumstances for different buildings..... FALSE  
**Action:** (If True, provide an explanation for each building in Tab K)

4. Request For Exception

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

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

G. NONPROFIT INVOLVEMENT

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

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

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

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

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

A. Nonprofit Involvement (All Applicants)

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

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

B. Type of involvement:

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

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: Applicant

Name: Piedmont Housing Alliance and NHT Communities (Please fit NP name within available space)

Contact Person: Sunshine Mathon

Street Address: 682 Berkmar Circle

City: Charlottesville State: VA Zip: 22901-1464

Phone: (434) 817-2436 Extension: Contact Email: SMathon@PiedmontHous

**G. NONPROFIT INVOLVEMENT**

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

Specify the nonprofit entity's percentage ownership of the general partnership interest: 100.0%

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

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

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

**Name of qualified nonprofit:** Piedmont Housing Alliance

**or indicate true if Local Housing Authority** FALSE  
**Name of Local Housing Authority** \_\_\_\_\_

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

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

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



**H. STRUCTURE AND UNITS INFORMATION**

**1. General Information**

a. Total number of <b>all</b> units in development	106	bedrooms	243
Total number of <b>rental</b> units in development	106	bedrooms	243
Number of low-income rental units	106	bedrooms	243
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	106	bedrooms	243
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.....			159,759.09 (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			1,507.92 (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			158,251.17 (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be <b>New Rental Space</b> .....			100.00%
i. Exact area of site in acres .....	3.870		
j. Locality has approved a final site plan or plan of development..... If <b>True</b> , Provide required documentation ( <b>TAB O</b> ).			FALSE
k. Requirement as of 2016: Site must be properly zoned for proposed development. <b>ACTION:</b> Provide required zoning documentation ( <b>MANDATORY TAB G</b> )			
l. Development is eligible for Historic Rehab credits.....			FALSE

**Definition:**

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

**H. STRUCTURE AND UNITS INFORMATION**

**2. UNIT MIX**

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	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	936.23	SF	21	21
2BR Garden	1249.56	SF	36	36
3BR Garden	1616.78	SF	14	14
4BR Garden	1874.26	SF	3	3
2+ Story 2BR Townhouse	1664.80	SF	8	8
2+ Story 3BR Townhouse	2039.68	SF	16	16
2+ Story 4BR Townhouse	2424.40	SF	8	8
			106	106

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)..... 3

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

h. Development contains an elevator(s). TRUE  
 If true, # of Elevators. 2  
 Elevator Type (if known) Holeless Hydraulic

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

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

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

l. Describe Community Facilities: Community facilities include library, workroom, conference center and fitness center

m. Number of Proposed Parking Spaces..... 116  
 Parking is shared with another entity ..... FALSE

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

**H. STRUCTURE AND UNITS INFORMATION**

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**5. Plans and Specifications**

**a. Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):**

- i. A location map with development clearly defined.
- ii. Sketch plan of the site showing overall dimensions of all building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required.
- iii. Sketch plans of all building(s) reflecting overall dimensions of:
  - a. Typical floor plan(s) showing apartment types and placement
  - b. Ground floor plan(s) showing common areas
  - c. Sketch floor plan(s) of typical dwelling unit(s)
  - d. Typical wall section(s) showing footing, foundation, wall and floor structure  
Notes must indicate basic materials in structure, floor and exterior finish.

**b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications.**

- i. Phase I environmental assessment.
- ii. Physical needs assessment for any rehab only development.

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

**6. Market Study Data:**

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

Project Wide Capture Rate - LIHTC Units	1.20%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	1.20%
Project Wide Absorption Period (Months)	5

J. ENHANCEMENTS

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

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

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

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

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

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

- TRUE a. A community/meeting room with a minimum of 749 square feet is provided.
- 66.00% 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.
- TRUE c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).
- FALSE d. Each bathroom contains only of WaterSense labeled faucets, toilets and showerheads.
- TRUE e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.
- TRUE f. Free WiFi access will be provided in community room for resident only usage.
- FALSE g. Each unit is provided free individual high speed internet access.
- or
- TRUE h. Each unit is provided free individual WiFi access.
- TRUE i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.
- or
- FALSE j. Full bath fans are equipped with a humidistat.
- TRUE k. Cooking surfaces are equipped with fire prevention features
- or
- FALSE l. Cooking surfaces are equipped with fire suppression features.
- FALSE m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.
- or
- TRUE n. All Construction types: each unit is equipped with a permanent dehumidification system.
- TRUE o. All interior doors within units are solid core.
- TRUE p. At minimum, one USB charging port in each kitchen, living room and all bedrooms.
- TRUE q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- TRUE r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.
- FALSE s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet.

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

- FALSE a. All cooking ranges have front controls.

J. ENHANCEMENTS

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

FALSE c. All entrance doors have two eye viewers, one at 42" inches and the other at standard height.

2. Green Certification

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

The applicant will also obtain one of the following:

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

TRUE 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.)

TRUE Zero Energy Ready Home Requirements

TRUE Passive House Standards

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

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

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

57% % of Total Rental Units

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

If not, please explain:

\_\_\_\_\_

I. UTILITIES

1. Describe the Heating/AC System: Energy Star Electric Heat Pump

2. Services Included:

Utilities	Type of Utility (Gas, Electric, Oil, etc.)	Utilities ▶ Paid by:	Enter Allowances by Bedroom Size				
			0-bdr	1-bdr	2-bdr	3-bdr	4-br
Heating	Electric	Tenant	0	3	8	4	6
Air Conditioning	Electric	Tenant	0	1	2	3	3
Cooking	Electric	Tenant	0	4	4	5	5
Lighting	Electric	Tenant	0	28	32	36	36
Hot Water	Electric	Tenant	0	11	15	18	20
Water		Tenant	0	3	8	11	15
Sewer		Tenant	0	5	9	14	18
Trash		Owner	0	0	0	0	0
Total utility allowance for costs paid by tenant			\$0	\$55	\$78	\$91	\$103

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

- a. FALSE HUD
- b. FALSE Utility Company (Estimate)
- c. FALSE Utility Company (Actual Survey)
- d. FALSE Local PHA
- e. TRUE Other: Certified HERS Rater

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

**K. SPECIAL HOUSING NEEDS**

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

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

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

**TRUE**

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

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

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

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

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

(60 points)

**FALSE**

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

**FALSE**

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

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



K. SPECIAL HOUSING NEEDS

2. Special Housing Needs/Leasing Preference:

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

- 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**, VHDA policy requires that the impact of economic and/or physical displacement on those tenants be minimized, in which Owners agree to abide by the Authority's Relocation Guidelines for LIHTC properties.)

**Action:** Provide Relocation Plan (**Mandatory if tenants are displaced - Tab J**)

3. Leasing Preferences

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

Organization which holds such waiting list:

Contact person:

Title:

Phone Number

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

b. Leasing preference will be given to individuals and families with children.....  TRUE  
(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 **VHDA Certified Management Agent**. Proof of management certification must be provided before 8609s are issued.

**K. SPECIAL HOUSING NEEDS**

**4. Rental Assistance**

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

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

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

**FALSE** Section 8 New Construction Substantial Rehabilitation

**FALSE** Section 8 Moderate Rehabilitation

**FALSE** Section 8 Certificates

**TRUE** Section 8 Project Based Assistance

**FALSE** RD 515 Rental Assistance

**FALSE** Section 8 Vouchers

**FALSE** State Assistance

**FALSE** Other: \_\_\_\_\_

c. The 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? \_\_\_\_\_

d. Number of units receiving assistance:	46
How many years in rental assistance contract?	19.50
Expiration date of contract:	8/30/2038
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		
# of Units	% of Units	
0	0.00%	20% Area Median
11	10.38%	30% Area Median
0	0.00%	40% Area Median
44	41.51%	50% Area Median
21	19.81%	60% Area Median
0	0.00%	70% Area Median
30	28.30%	80% Area Median
0	0.00%	Market Units
106	100.00%	<b>Total</b>

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
11	10.38%	30% Area Median
0	0.00%	40% Area Median
44	41.51%	50% Area Median
21	19.81%	60% Area Median
0	0.00%	70% Area Median
30	28.30%	80% Area Median
0	0.00%	Market Units
106	100.00%	<b>Total</b>

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

**2. Unit Detail**

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	Number of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	50% AMI	2		612.14	\$744.00	\$1,488
Mix 2	1 BR - 1 Bath	50% AMI	3	1	659.89	\$744.00	\$2,232
Mix 3	1 BR - 1 Bath	50% AMI	1		659.89	\$744.00	\$744
Mix 4	1 BR - 1 Bath	60% AMI	2		612.14	\$855.00	\$1,710
Mix 5	1 BR - 1 Bath	60% AMI	1	1	659.89	\$855.00	\$855
Mix 6	1 BR - 1 Bath	60% AMI	1		659.89	\$855.00	\$855
Mix 7	1 BR - 1 Bath	80% AMI	4		612.14	\$1,161.95	\$4,648
Mix 8	1 BR - 1 Bath	80% AMI	7	1	659.89	\$1,161.95	\$8,134
Mix 9	2 BR - 2 Bath	30% AMI	5	1	951.16	\$498.00	\$2,490
Mix 10	2 BR - 2 Bath	30% AMI	1		1144.01	\$498.00	\$498
Mix 11	2 BR - 2 Bath	50% AMI	1		907.09	\$882.00	\$882
Mix 12	2 BR - 2 Bath	50% AMI	2		907.09	\$1,195.00	\$2,390
Mix 13	2 BR - 2 Bath	50% AMI	1		919.52	\$882.00	\$882
Mix 14	2 BR - 2 Bath	50% AMI	1		919.52	\$1,195.00	\$1,195
Mix 15	2 BR - 2 Bath	50% AMI	1		943.15	\$1,195.00	\$1,195
Mix 16	2 BR - 2 Bath	50% AMI	1		951.16	\$882.00	\$882
Mix 17	2 BR - 2 Bath	50% AMI	5	1	951.16	\$1,195.00	\$5,975
Mix 18	2 BR - 2 Bath	50% AMI	1		1144.01	\$882.00	\$882
Mix 19	2 BR - 2 Bath	50% AMI	3		1144.01	\$1,195.00	\$3,585
Mix 20	2 BR - 2 Bath	60% AMI	1		907.09	\$1,022.00	\$1,022
Mix 21	2 BR - 2 Bath	60% AMI	1		943.15	\$1,022.00	\$1,022
Mix 22	2 BR - 2 Bath	60% AMI	1		951.16	\$1,022.00	\$1,022
Mix 23	2 BR - 2 Bath	60% AMI	2	1	951.16	\$1,022.00	\$2,044

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L. UNIT DETAILS

Mix 24	2 BR - 2 Bath	80% AMI	3		907.09	\$1,350.00	\$4,050
Mix 25	2 BR - 2 Bath	80% AMI	1		919.52	\$1,350.00	\$1,350
Mix 26	2 BR - 2 Bath	80% AMI	2		943.15	\$1,350.00	\$2,700
Mix 27	2 BR - 2 Bath	80% AMI	8	1	951.16	\$1,350.00	\$10,800
Mix 28	2 BR - 2 Bath	80% AMI	2		1144.01	\$1,350.00	\$2,700
Mix 29	2 BR - 2 Bath	80% AMI	1		1225.39	\$1,350.00	\$1,350
Mix 30	3 BR - 2 Bath	30% AMI	2		1237.14	\$574.00	\$1,148
Mix 31	3 BR - 2 Bath	50% AMI	2		1235.23	\$1,383.00	\$2,766
Mix 32	3 BR - 2 Bath	50% AMI	1	1	1270.75	\$1,383.00	\$1,383
Mix 33	3 BR - 2 Bath	50% AMI	1		1386.64	\$1,383.00	\$1,383
Mix 34	3 BR - 2 Bath	60% AMI	2		1235.23	\$1,383.00	\$2,766
Mix 35	3 BR - 2 Bath	60% AMI	2		1237.14	\$1,383.00	\$2,766
Mix 36	3 BR - 2 Bath	60% AMI	2	2	1270.75	\$1,383.00	\$2,766
Mix 37	3 BR - 2 Bath	60% AMI	1	1	1386.64	\$1,383.00	\$1,383
Mix 38	3 BR - 2 Bath	60% AMI	1		1386.64	\$1,383.00	\$1,383
Mix 39	3 BR - 2.5 Bath	30% AMI	1		1425.98	\$574.00	\$574
Mix 40	3 BR - 2.5 Bath	30% AMI	1		1713.92	\$574.00	\$574
Mix 41	3 BR - 2.5 Bath	50% AMI	5		1425.98	\$1,383.00	\$6,915
Mix 42	3 BR - 2.5 Bath	50% AMI	5		1713.92	\$1,383.00	\$6,915
Mix 43	3 BR - 2.5 Bath	60% AMI	1		1425.98	\$1,383.00	\$1,383
Mix 44	3 BR - 2.5 Bath	60% AMI	1		1713.92	\$1,383.00	\$1,383
Mix 45	3 BR - 2.5 Bath	80% AMI	1		1425.98	\$1,529.00	\$1,529
Mix 46	3 BR - 2.5 Bath	80% AMI	1		1713.92	\$1,529.00	\$1,529
Mix 47	4 BR - 2 Bath	30% AMI	1		1490.69	\$639.00	\$639
Mix 48	4 BR - 2 Bath	60% AMI	1	1	1490.69	\$1,469.00	\$1,469
Mix 49	4 BR - 2 Bath	60% AMI	1		1490.69	\$1,469.00	\$1,469
Mix 50	4 BR - 2.5 Bath	50% AMI	8		1958.94	\$1,469.00	\$11,752
Mix 51							\$0
Mix 52							\$0
Mix 53							\$0
Mix 54							\$0
Mix 55							\$0
Mix 56							\$0
Mix 57							\$0
Mix 58							\$0
Mix 59							\$0
Mix 60							\$0
Mix 61							\$0
Mix 62							\$0
Mix 63							\$0
Mix 64							\$0
Mix 65							\$0
Mix 66							\$0
Mix 67							\$0
Mix 68							\$0
Mix 69							\$0
Mix 70							\$0
Mix 71							\$0
Mix 72							\$0
Mix 73							\$0
Mix 74							\$0
Mix 75							\$0
Mix 76							\$0
Mix 77							\$0
Mix 78							\$0
Mix 79							\$0
Mix 80							\$0
Mix 81							\$0
Mix 82							\$0
Mix 83							\$0
Mix 84							\$0

**L. UNIT DETAILS**

Mix 85							\$0
Mix 86							\$0
Mix 87							\$0
Mix 88							\$0
Mix 89							\$0
Mix 90							\$0
Mix 91							\$0
Mix 92							\$0
Mix 93							\$0
Mix 94							\$0
Mix 95							\$0
Mix 96							\$0
Mix 97							\$0
Mix 98							\$0
Mix 99							\$0
Mix 100							\$0
<b>TOTALS</b>			106	12	56,497.40	\$56,230	\$123,456

<b>Total Units</b>	<b>106</b>	<b>Net Rentable SF:</b>	<b>TC Units</b>	<b>119,639.90</b>
			<b>MKT Units</b>	<b>0.00</b>
			<b>Total NR SF:</b>	<b>119,639.90</b>

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

**M. OPERATING EXPENSES**

**Administrative:**

Use Whole Numbers Only!

1. Advertising/Marketing			\$5,300
2. Office Salaries			\$53,000
3. Office Supplies			\$15,900
4. Office/Model Apartment	(type _____ )		\$0
5. Management Fee			\$86,394
<u>6.27%</u> of EGI	<u>\$815.04</u>	Per Unit	
6. Manager Salaries			\$50,000
7. Staff Unit (s)	(type _____ )		\$0
8. Legal			\$5,300
9. Auditing			\$0
10. Bookkeeping/Accounting Fees			\$7,500
11. Telephone & Answering Service			\$0
12. Tax Credit Monitoring Fee			\$0
13. Miscellaneous Administrative			\$7,950
<b>Total Administrative</b>			<b>\$231,344</b>

**Utilities**

14. Fuel Oil			\$0
15. Electricity			\$27,000
16. Water			\$4,000
17. Gas			\$0
18. Sewer			\$5,000
<b>Total Utility</b>			<b>\$36,000</b>

**Operating:**

19. Janitor/Cleaning Payroll			\$43,000
20. Janitor/Cleaning Supplies			\$5,000
21. Janitor/Cleaning Contract			\$0
22. Exterminating			\$2,650
23. Trash Removal			\$15,000
24. Security Payroll/Contract			\$0
25. Grounds Payroll			\$15,000
26. Grounds Supplies			\$0
27. Grounds Contract			\$10,600
28. Maintenance/Repairs Payroll			\$49,093
29. Repairs/Material			\$15,900
30. Repairs Contract			\$10,000
31. Elevator Maintenance/Contract			\$5,000
32. Heating/Cooling Repairs & Maintenance			\$5,300
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$3,180
35. Decorating/Payroll/Contract			\$0
36. Decorating Supplies			\$7,950
37. Miscellaneous			\$26,536
<b>Totals Operating &amp; Maintenance</b>			<b>\$214,209</b>

**M. OPERATING EXPENSES**

**Taxes & Insurance**

38. Real Estate Taxes	\$249,762
39. Payroll Taxes	\$0
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$45,000
42. Fidelity Bond	\$0
43. Workman's Compensation	\$0
44. Health Insurance & Employee Benefits	\$0
45. Other Insurance	\$0
<b>Total Taxes &amp; Insurance</b>	<b>\$294,762</b>

<b>Total Operating Expense</b>	<b>\$776,315</b>
--------------------------------	------------------

<b>Total Operating Expenses Per Unit</b>	<u>\$7,324</u>	<b>C. Total Operating Expenses as % of EGI</b>	<u>56.35%</u>
--	----------------	--	---------------

<b>Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)</b>	<b>\$31,800</b>
---	-----------------

<b>Total Expenses</b>	<b>\$808,115</b>
-----------------------	------------------

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

2019 Low-Income Housing Tax Credit Application For Reservation

**N. PROJECT SCHEDULE**

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
<b>1. SITE</b>		
a. Option/Contract	3/12/2019	Kevin White
b. Site Acquisition	4/1/2020	Beth Kennan
c. Zoning Approval	DONE	already by right
d. Site Plan Approval	6/3/2019	Beth Kennan
<b>2. Financing</b>		
<b>a. Construction Loan</b>		
i. Loan Application	11/7/2019	Paul Browne
ii. Conditional Commitment	2/1/2020	Paul Browne
iii. Firm Commitment	2/15/2020	Paul Browne
<b>b. Permanent Loan - First Lien</b>		
i. Loan Application	11/7/2019	Paul Browne
ii. Conditional Commitment	2/1/2020	Paul Browne
iii. Firm Commitment	2/15/2020	Paul Browne
<b>c. Permanent Loan-Second Lien</b>		
i. Loan Application	N/A	
ii. Conditional Commitment	N/A	
iii. Firm Commitment	N/A	
<b>d. Other Loans &amp; Grants</b>		
i. Type & Source, List	Charlottesville, Foundations	Mike Murphy, Sunshine Mathon
ii. Application	9/24/2018	Mike Murphy
iii. Award/Commitment	3/4/2019	Mike Murphy
<b>2. Formation of Owner</b>	3/1/2019	Klein Hornig
<b>3. IRS Approval of Nonprofit Status</b>	2/1/1985	William Bush
<b>4. Closing and Transfer of Property to Owner</b>	4/1/2020	Beth Kennan
<b>5. Plans and Specifications, Working Drawings</b>	12/1/2019	Beth Kennan
<b>6. Building Permit Issued by Local Government</b>	2/28/2020	Beth Kennan
<b>7. Start Construction</b>	4/5/2020	Beth Kennan
<b>8. Begin Lease-up</b>	6/24/2021	Amanda Chandler
<b>9. Complete Construction</b>	8/19/2021	Beth Kennan
<b>10. Complete Lease-Up</b>	12/15/2021	Amanda Chandler
<b>11. Credit Placed in Service Date</b>	12/31/2021	Beth Kennan



**O. PROJECT BUDGET - HARD COSTS**

**Cost/Basis/Maximum Allowable Credit**

Complete cost column and basis column(s) as appropriate

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

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
<b>1. Contractor Cost</b>				
a. Unit Structures (New)	20,401,185	0	0	20,401,185
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
<b>Total Structure</b>	20,401,185	0	0	20,401,185
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
h. Roads & Walks	0	0	0	0
i. Site Improvements	0	0	0	0
j. Lawns & Planting	0	0	0	0
k. Engineering	0	0	0	0
l. Off-Site Improvements	0	0	0	0
m. Site Environmental Mitigation	0	0	0	0
n. Demolition	0	0	0	0
o. Site Work	0	0	0	0
p. Other Site work	0	0	0	0
<b>Total Land Improvements</b>	0	0	0	0
<b>Total Structure and Land</b>	20,401,185	0	0	20,401,185
q. General Requirements	613,386	0	0	613,386
r. Builder's Overhead ( 1.0% Contract)	204,462	0	0	204,462
s. Builder's Profit ( 4.0% Contract)	817,847	0	0	817,847
t. Bonds	327,139	0	0	327,139
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
y. Other 2: Builders Risk	312,512	0	0	312,512
z. Other 3:	0	0	0	0
<b>Contractor Costs</b>	<b>\$22,676,531</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,676,531</b>

**O. PROJECT BUDGET - OWNER COSTS**

**MUST USE WHOLE NUMBERS ONLY!**

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
<b>2. Owner Costs</b>				
a. Building Permit	90,000	0	0	90,000
b. Architecture/Engineering Design Fee \$5,702 /Unit)	604,386	0	0	604,386
c. Architecture Supervision Fee \$5,702 /Unit)	604,386	0	0	604,386
d. Tap Fees	700,000	0	0	700,000
e. Environmental	7,500	0	0	7,500
f. Soil Borings	0	0	0	0
g. EarthCraft/LEED	0	0	0	0
h. Appraisal	15,000	0	0	15,000
i. Market Study	10,000	0	0	10,000
j. Site Engineering / Survey	7,500	0	0	7,500
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	49,000	0	0	49,000
n. Construction Interest ( 4.5% for 21 months)	635,000	0	0	381,000
o. Taxes During Construction	25,000	0	0	25,000
p. Insurance During Construction	100,000	0	0	20,000
q. Permanent Loan Fee ( 2.0% )	183,934	0	0	183,934
r. Other Permanent Loan Fees	10,000	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	50,000	0	0	0
u. Accounting	0	0	0	0
v. Title and Recording	30,349	0	0	0
w. Legal Fees for Closing	90,000	0	0	20,000
x. Mortgage Banker	100,000	0	0	0
y. Tax Credit Fee	112,230			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	49,450	0	0	49,450
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	804,224	0	0	0
ad. Contingency	1,022,309	0	0	1,022,309
ae. Security	0	0	0	0
af. Utilities	0	0	0	0
(1) Other* specify: wifi hookup fees	42,400	0	0	42,400
(2) Other* specify: green consultant	60,000	0	0	60,000
(3) Other* specify: traffic study	16,000	0	0	16,000
(4) Other* specify: syndication costs	35,000	0	0	0
(5) Other* specify:	0	0	0	0
(6) Other* specify:	0	0	0	0
(7) Other* specify:	0	0	0	0

**O. PROJECT BUDGET - OWNER COSTS**

(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))	\$5,453,668	\$0	\$0	\$3,907,865
<b>Subtotal 1 + 2</b> (Owner + Contractor Costs)	\$28,130,199	\$0	\$0	\$26,584,396
<b>3. Developer's Fees</b>	225,000	0	0	225,000
<b>4. Owner's Acquisition Costs</b>				
Land	2,240,000			
Existing Improvements	0	0		
Subtotal 4:	\$2,240,000	\$0		
<b>5. Total Development Costs</b>				
Subtotal 1+2+3+4:	\$30,595,199	\$0	\$0	\$26,809,396

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:**

**\$2,859,616**

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

\$288,634  
\$177  
\$259,224

**Proposed Cost per Unit exceeds limit  
Meets Limits**

2019 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		(B) Acquisition	(C) Rehab/ New Construction	(D) "70 % Present Value Credit"
<b>1. Total Development Costs</b>	30,595,199	0	0	26,809,396
<b>2. Reductions in Eligible Basis</b>				
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
<b>3. Total Eligible Basis (1 - 2 above)</b>		0	0	26,809,396
<b>4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)</b>				
a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>			0	8,042,819
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			0	0
c. For Green Certification (Eligible Basis x 10%)				0
<b>Total Adjusted Eligible basis</b>			0	34,852,215
<b>5. Applicable Fraction</b>		100.00000%	100.00000%	100.00000%
<b>6. Total Qualified Basis</b> (Eligible Basis x Applicable Fraction)		0	0	34,852,215
<b>7. Applicable Percentage</b> <i>(Beginning with 2016 Allocations, use the standard 9% rate.)</i> <i>(For tax exempt bonds, use the most recently published rates.)</i>		0.00%	0.00%	9.00%
<b>8. Maximum Allowable Credit under IRC §42</b> (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$0	\$0	\$3,136,699
			\$3,136,699	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.					
2.					
3.					
Total Construction Funding:				\$0	

**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 <i>(Whole Numbers only)</i>	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
1.	VHDA			\$9,196,718	\$497,959	4.14%	35.00	35.00
2.	Charlottesville Grants			\$5,940,000				
3.	Sponsor Loan			\$1,000,000				
4.								
5.								
6.								
7.								
8.								
9.								
10.								
Total Permanent Funding:				\$16,136,718	\$497,959			

**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.	Charlottesville Grants		\$5,940,000
2.	Sponsor Loan		\$1,000,000
3.			\$0
4.			
5.			
Total Subsidized Funding			\$6,940,000

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

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

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

Below-Market Loans

a.	Tax Exempt Bonds	\$0
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$4,120,000
g.	HOME Funds	\$0
h.	Other:	\$0
i.	Other:	\$0

Market-Rate Loans

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

Grants\*

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

Grants

c.	State	
d.	Local	
e.	Other:	

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

**Q. SOURCES OF FUNDS**

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

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

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

**8. Other Subsidies** **Action:** Provide documentation (**Tab Q**)

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

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

c. FALSE Other

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

**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	\$3			(Note: Deferred Developer Fee cannot be negative.)
iv. Other:	\$0			
<b>Equity Total</b>				<b>\$3</b>

**2. Equity Gap Calculation**

a. Total Development Cost	\$30,595,199	
b. Total of Permanent Funding, Grants and Equity	-	\$16,136,721
c. Equity Gap		\$14,458,478
d. Developer Equity	-	\$1,444
e. Equity gap to be funded with low-income tax credit proceeds		\$14,457,034

**3. Syndication Information (If Applicable)**

a. Actual or Anticipated Name of Syndicator:	Virginia Community Development Corporation		
Contact Person:	Chris Sterling	Phone:	(804) 482-5388
Street Address:	1840 W Broad St 200		
City:	Richmond	State:	VA
		Zip:	23220
b. Syndication Equity			
i. Anticipated Annual Credits		\$1,588,844.00	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		\$0.910	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		99.99000%	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)		\$0	
v. Net credit amount anticipated by user of credits		\$1,588,685	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		\$14,457,034	
c. Syndication:	Private		
d. Investors:	Corporate		

**4. Net Syndication Amount**

Which will be used to pay for Total Development Costs \$14,457,034

**5. Net Equity Factor**

Must be equal to or greater than 85% 90.9999965257%



**S. DETERMINATION OF RESERVATION AMOUNT NEEDED**

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

1. Total Development Costs		<u>\$30,595,199</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$16,136,721</u>
3. Equals Equity Gap		<u>\$14,458,478</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>90.9999965257%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$15,888,438</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$1,588,844</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$3,136,699</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$0</u>
	For 70% PV Credit:	<u>\$1,588,844</u>
Credit per LI Units	<u>\$14,989.0943</u>	
Credit per LI Bedroom	<u>\$6,538.4527</u>	
	<b>Combined 30% &amp; 70% PV Credit Requested</b>	<b>\$1,588,844</b>

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

**T. CASH FLOW**

**1. Revenue**

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

Total Monthly Rental Income for LIHTC Units	\$123,456
Plus Other Income Source (list): <input type="text"/>	\$0
Equals Total Monthly Income:	\$123,456
Twelve Months	x12
Equals Annual Gross Potential Income	\$1,481,472
Less Vacancy Allowance <input type="text" value="7.0%"/>	\$103,703
<b>Equals Annual Effective Gross Income (EGI) - Low Income Units</b>	<b>\$1,377,769</b>

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

Total Monthly Income for Market Rate Units:	\$0
Plus Other Income Source (list): <input type="text"/>	\$0
Equals Total Monthly Income:	\$0
Twelve Months	x12
Equals Annual Gross Potential Income	\$0
Less Vacancy Allowance <input type="text" value="7.0%"/>	\$0
<b>Equals Annual Effective Gross Income (EGI) - Market Rate Units</b>	<b>\$0</b>

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

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

a. Annual EGI Low-Income Units	\$1,377,769
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$1,377,769
d. Total Expenses	\$808,115
e. Net Operating Income	\$569,654
f. Total Annual Debt Service	\$497,959
g. Cash Flow Available for Distribution	\$71,695

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
<b>Eff. Gross Income</b>	1,377,769	1,405,324	1,433,431	1,462,099	1,491,341
<b>Less Oper. Expenses</b>	808,115	832,358	857,329	883,049	909,541
<b>Net Income</b>	569,654	572,966	576,102	579,050	581,801
<b>Less Debt Service</b>	497,959	497,959	497,959	497,959	497,959
<b>Cash Flow</b>	71,695	75,007	78,143	81,091	83,842
<b>Debt Coverage Ratio</b>	1.14	1.15	1.16	1.16	1.17

	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Eff. Gross Income</b>	1,521,168	1,551,592	1,582,623	1,614,276	1,646,561
<b>Less Oper. Expenses</b>	936,827	964,932	993,880	1,023,696	1,054,407
<b>Net Income</b>	584,341	586,660	588,744	590,580	592,155
<b>Less Debt Service</b>	497,959	497,959	497,959	497,959	497,959
<b>Cash Flow</b>	86,382	88,701	90,785	92,621	94,196
<b>Debt Coverage Ratio</b>	1.17	1.18	1.18	1.19	1.19

	Year 11	Year 12	Year 13	Year 14	Year 15
<b>Eff. Gross Income</b>	1,679,493	1,713,083	1,747,344	1,782,291	1,817,937
<b>Less Oper. Expenses</b>	1,086,039	1,118,620	1,152,179	1,186,744	1,222,346
<b>Net Income</b>	593,454	594,462	595,165	595,547	595,590
<b>Less Debt Service</b>	497,959	497,959	497,959	497,959	497,959
<b>Cash Flow</b>	95,495	96,503	97,206	97,588	97,631
<b>Debt Coverage Ratio</b>	1.19	1.19	1.20	1.20	1.20

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

2019 Low-Income Housing Tax Credit Application For Reservation

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: 3

Total Qualified Basis should equal total on Elig Basis Tab

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

DO NOT use the CUT feature

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.		23	0	Monticello	6th	Charlottesville	VA	22902				\$0				\$0	\$7,590,199			9.00%	\$683,118	
2.		12	0	Monticello	6th	Charlottesville	VA	22902				\$0				\$0	\$3,960,103			9.00%	\$356,409	
3.		71	0	Garrett	6th	Charlottesville	VA	22902				\$0				\$0	\$23,430,613			9.00%	\$2,108,755	
4.												\$0				\$0						\$0
5.												\$0				\$0						\$0
6.												\$0				\$0						\$0
7.												\$0				\$0						\$0
8.												\$0				\$0						\$0
9.												\$0				\$0						\$0
10.												\$0				\$0						\$0
11.												\$0				\$0						\$0
12.												\$0				\$0						\$0
13.												\$0				\$0						\$0
14.												\$0				\$0						\$0
15.												\$0				\$0						\$0
16.												\$0				\$0						\$0
17.												\$0				\$0						\$0
18.												\$0				\$0						\$0
19.												\$0				\$0						\$0
20.												\$0				\$0						\$0
21.												\$0				\$0						\$0
22.												\$0				\$0						\$0
23.												\$0				\$0						\$0
24.												\$0				\$0						\$0
25.												\$0				\$0						\$0
26.												\$0				\$0						\$0
27.												\$0				\$0						\$0
28.												\$0				\$0						\$0
29.												\$0				\$0						\$0
30.												\$0				\$0						\$0
31.												\$0				\$0						\$0
32.												\$0				\$0						\$0
33.												\$0				\$0						\$0
34.												\$0				\$0						\$0
35.												\$0				\$0						\$0
		106	0	Totals from all buildings					\$0	\$0	\$0	\$0	\$34,980,915	\$0	\$3,148,282							

Qualified basis should equal values on Elig Basis.  
Credit Amount should equal Gap Calculation Request.

Number of BINS: 3

**V. STATEMENT OF OWNER**

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The undersigned hereby acknowledges the following:

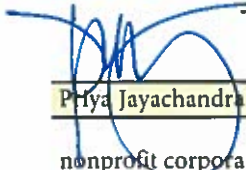
1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless VHDA and its assigns against all losses, costs, damages, VHDA's expenses,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

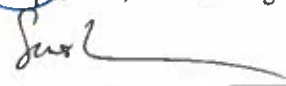
V. STATEMENT OF OWNER

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

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

Legal Name of Owner: FC Phase 1 LLC, a Virginia limited liability company,  
BY: FC Phase 1 Managing Member LLC, a Virginia  
limited liability company, its Managing Member

By:   
Its: Priya Jayachandran, President of NHT Communities, a District of Columbia  
(Title)  
nonprofit corporation, its Co-Managing Member

And  
By:   
Sunshine Mathon, Executive Director of Piedmont Housing Alliance, a  
Virginia nonstock corporation, its Co-Managing Member

W.

## LIHTC SELF SCORE SHEET

### Self Scoring Process

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

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

**MANDATORY ITEMS:**

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

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

**1. READINESS:**

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

Y	0 or -50	0.00
N	0 or -25	0.00
N	0 or 40	0.00
N	0 or 10	0.00
Y	0 or 15	15.00
N	0 or 15	0.00
<b>Total:</b>		<u><u>15.00</u></u>

**2. HOUSING NEEDS CHARACTERISTICS:**

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

Y	0 or up to 5	2.83
Y	0 or 20	20.00
22.68%	Up to 40	40.00
Y	0 or 5	5.00
N	0 or 10	0.00
0%	0, 20, 25 or 30	0.00
N	0 or 15	0.00
N	Up to -20	0.00
Y	Up to 20	20.00
<b>Total:</b>		<u><u>87.83</u></u>

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

**3. DEVELOPMENT CHARACTERISTICS:**

a. Amenities (See calculations below)			63.25
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	Y	0 or 60	60.00
or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units	N	0 or 30	0.00
or d. HUD 504 accessibility for 5% of units	N	0 or 15	0.00
e. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	10.00
f. Development will be Green Certified	Y	0 or 10	10.00
g. Units constructed to meet VHDA's Universal Design standards	57%	Up to 15	8.49
h. Developments with less than 100 units	N	up to 20	0.00
i. Historic Structure	N	0 or 5	0.00
Total:			<u>151.74</u>

**4. TENANT POPULATION CHARACTERISTICS:**

Locality AMI	State AMI
\$89,600	\$55,900

a. Less than or equal to 20% of units having 1 or less bedrooms	Y	0 or 15	15.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	38.68%	Up to 15	15.00
c. Units with rent at or below 30% of AMI and are not subsidized (up to 10% of LI units)	10.38%	Up to 10	10.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	10.38%	Up to 10	10.00
e. Units with rent and income at or below 50% of AMI	51.89%	Up to 50	50.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	51.89%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	0.00%	Up to 50	0.00
Total:			<u>100.00</u>

**5. SPONSOR CHARACTERISTICS:**

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

**6. EFFICIENT USE OF RESOURCES:**

a. Credit per unit		Up to 200	72.48
b. Cost per unit		Up to 100	7.23
Total:			<u>79.71</u>

**7. BONUS POINTS:**

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

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

**TOTAL SCORE: 544.28**



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

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**Amenities:**

	Max Pts	Score
All units have:		
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	25	20.25
c. Sub metered water expense	5	5.00
d. Watersense labeled faucets, toilets and showerheads	3	0.00
e. Infrastructure for high speed internet/broadband	1	1.00
f. Free WiFi Access in community room	4	4.00
g. Each unit provided free individual high speed internet access	6	0.00
h. Each unit provided free individual WiFi	8	8.00
i. Bath Fan - Delayed timer or continuous exhaust	3	3.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	4.00
l. Cooking surfaces equipped with fire suppression features	2	0.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	5.00
o. All interior doors within units are solid core	3	3.00
p. USB in kitchen, living room and all bedrooms	1	1.00
q. LED Kitchen Light Fixtures	2	2.00
r. Shelf or Ledge at entrance within interior hallway	2	2.00
s. New Construction: Balcony or patio	4	0.00
		<u>63.25</u>
All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
		<u>0.00</u>
<b>Total amenities:</b>		<u><b>63.25</b></u>

X. Development Summary

Summary Information

2019 Low-Income Housing Tax Credit Application For Reservation

**Deal Name:** Friendship Court Phase 1

**Cycle Type:** 9% Tax Credits  
**Allocation Type:** New Construction  
**Total Units:** 106  
**Total LI Units:** 106  
**Project Gross Sq Ft:** 159,759.09  
**Green Certified?:** TRUE

**Requested Credit Amount:** \$1,588,844  
**Jurisdiction:** Charlottesville City  
**Population Target:** General  
**Owner Contact:** Sunshine Mathon

<b>Total Score</b> 544.28
------------------------------

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$16,136,718	\$152,233	\$101	\$497,959

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$20,401,185	\$192,464	\$128	66.68%
General Req/Overhead/Profit	\$1,635,695	\$15,431	\$10	5.35%
Other Contract Costs	\$639,651	\$6,034	\$4	2.09%
Owner Costs	\$5,453,668	\$51,450	\$34	17.83%
Acquisition	\$2,240,000	\$21,132	\$14	7.32%
Developer Fee	\$225,000	\$2,123	\$1	0.74%
<b>Total Uses</b>	<b>\$30,595,199</b>	<b>\$288,634</b>		

Total Development Costs	
Total Improvements	\$28,130,199
Land Acquisition	\$2,240,000
Developer Fee	\$225,000
<b>Total Development Costs</b>	<b>\$30,595,199</b>

Income	
Gross Potential Income - LI Units	\$1,481,472
Gross Potential Income - Mkt Units	\$0
Subtotal	\$1,481,472
Less Vacancy %	7.00%
<b>Effective Gross Income</b>	<b>\$1,377,769</b>

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$231,344	\$2,182
Utilities	\$36,000	\$340
Operating & Maintenance	\$214,209	\$2,021
Taxes & Insurance	\$294,762	\$2,781
<b>Total Operating Expenses</b>	<b>\$776,315</b>	<b>\$7,324</b>
Replacement Reserves	\$31,800	\$300
<b>Total Expenses</b>	<b>\$808,115</b>	<b>\$7,624</b>

Cash Flow	
EGI	\$1,377,769
Total Expenses	\$808,115
<b>Net Income</b>	<b>\$569,654</b>
Debt Service	\$497,959
<b>Debt Coverage Ratio (YR1):</b>	<b>1.14</b>

**Proposed Cost Limit/Unit:** \$288,634  
**Applicable Cost Limit/Unit:** \$259,224  
**Proposed Cost Limit/Sq Ft:** \$177  
**Applicable Cost Limit/Sq Ft:** \$178

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	21
# of 2BR	44
# of 3BR	30
# of 4+ BR	11
<b>Total Units</b>	<b>106</b>

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	11	11
40% AMI	0	0
50% AMI	44	44
60% AMI	21	21
>60% AMI	30	30
Market	0	0

Income Averaging? TRUE

Extended Use Restriction? 30

2019 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$169.67** Credits/SF = **10.04001** Const \$/unit = **\$213,929.5377**

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**  
**300**  
**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
AVG UNIT SIZE	0.00	936.23	1,249.56	1,616.78	1,874.26	1,664.80	2,039.68	2,424.8
NUMBER OF UNITS	0	21	36	14	3	8	16	8
PARAMETER-(COSTS=>35,000)	0	195,840	261,120	306,816	313,344	277,200	302,400	327,000
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	195,840	261,120	306,816	313,344	277,200	302,400	327,000
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	195,840	261,120	306,816	313,344	277,200	302,400	327,000
PROJECT COST PER UNIT	0	158,853	212,017	274,324	318,012	282,472	346,079	411,000
PARAMETER-(CREDITS=>35,000)	0	16,594	22,125	25,997	26,550	24,536	26,766	28,500
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	16,594	22,125	25,997	26,550	24,536	26,766	28,500
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	16,594	22,125	25,997	26,550	24,536	26,766	28,500
PROJECT CREDIT PER UNIT	0	9,400	12,546	16,232	18,818	16,715	20,478	24,375
COST PER UNIT POINTS	0.00	3.74	6.39	1.40	-0.04	-0.14	-2.18	-1.00
CREDIT PER UNIT POINTS	0.00	17.18	29.41	9.92	1.65	4.81	7.09	2.40

TOTAL COST PER UNIT POINTS **7.23**

TOTAL CREDIT PER UNIT POINTS **72.48**

**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
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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
<b>Adjusted Credit Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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
Standard Parameter - low rise	0	195,840	261,120	306,816	313,344	277,200	302,400	327,000
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>195,840</b>	<b>261,120</b>	<b>306,816</b>	<b>313,344</b>	<b>277,200</b>	<b>302,400</b>	<b>327,000</b>

**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
Standard Credit Parameter - low rise	0	16,594	22,125	25,997	26,550	24,536	26,766	28,500
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	<b>0</b>	<b>16,594</b>	<b>22,125</b>	<b>25,997</b>	<b>26,550</b>	<b>24,536</b>	<b>26,766</b>	<b>28,500</b>

**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
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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
Standard Cost Parameter - low rise	0	195,840	261,120	306,816	313,344	277,200	302,400	327,000
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>195,840</b>	<b>261,120</b>	<b>306,816</b>	<b>313,344</b>	<b>277,200</b>	<b>302,400</b>	<b>327,000</b>

**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
Standard Cost Parameter - low rise	0	16,594	22,125	25,997	26,550	24,536	26,766	28,500
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>16,594</b>	<b>22,125</b>	<b>25,997</b>	<b>26,550</b>	<b>24,536</b>	<b>26,766</b>	<b>28,500</b>

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# Partnership or Operating Agreement

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

**Operating Agreement  
of  
FC Phase 1 LLC**

This Operating Agreement (the "**Agreement**") of FC Phase 1 LLC (the "**Company**"), a limited liability company organized pursuant to Chapter 12 of Title 13.1 of the Code of Virginia (the "**Act**"), is entered into by FC Phase 1 Managing Member LLC, a Virginia limited liability company (the "**Managing Member**"), and Piedmont Housing Alliance, a Virginia non-stock corporation (the "**Non-Managing Member**"), and the Managing Member and Non-Managing Member, are also each a "**Member**" and collectively the "**Members**").

1. **Purpose and Powers.** The purpose of the Company is to acquire, finance, construct, and own in fee or leasehold that certain land with buildings and improvements thereon located at in, Charlottesville, Virginia, formerly commonly known as Garrett Square and now commonly known as Friendship Court Phase 1 (the "**Project**"), and to undertake any other activity which a limited liability company may lawfully undertake under the Act.
2. **Separateness.** The Company will conduct its business and operations in its own name and will maintain books and records and bank accounts separate from those of any other person or entity.
3. **Management.** The Company will be manager-managed by a manager (the "**Manager**") appointed by the agreement of the Members. The Manager will exercise full and exclusive control over the affairs of the Company. The Manager may appoint officers and agents for the Company and give them such titles and powers as the Manager may choose. Any action taken by the Manager in the name of the Company, and any action taken by an officer or agent of the Company in the name of the Company and with the proper authorization of the Manager, will be an action of the Company. The Members hereby agree that the Managing Member will be the Manager.
4. **Allocations of Profit and Loss.** All profits and losses of the Company (and items of income, deduction, gain, or loss) will be allocated pro rata to the Members according to their respective membership interests shown on Exhibit A attached hereto.
5. **Distributions.** All distributions with respect to a membership interest in the Company will be made pro rata to the Members pro rata to the Members according to their respective membership interests shown on Exhibit A attached hereto.
6. **Capital Contribution.** The capital contribution of each Member to the Company is \$100.
7. **Dissolution.** The Company will dissolve upon the first to occur of (i) the sale or other disposition of all or substantially all of the Company's property and the Company's receipt of all or substantially all of the proceeds thereof, or (ii) the determination of the Members to dissolve.
8. **Fiscal Year.** The fiscal year of the Company will be the calendar year.
9. **Taxation as Partnership.** The Company shall file its return with the Commissioner of Internal Revenue and any applicable state taxing authorities as a partnership and shall not elect to be taxable other than as a partnership without the consent of the Members.
10. **Partnership Representative.** The Managing Member shall be the partnership representative of the Company pursuant to Section 6223 of the Internal Revenue Code of 1986, as amended ("Partnership Representative"), and shall engage in such undertakings as are required of the Partnership Representative of the Company, as provided in the Code and applicable Treasury Regulations



11. **No Liability of Member and Others.** The Manager and its agents, the Members and their agents, and any officers and agents of the Company will not be liable for the Company's liabilities, debts or obligations, all of which will be the sole obligation of the Company. The failure by the Company to observe any formalities or requirements relating to the exercise of its powers or the management of its business or affairs under this Agreement will not be grounds for imposing personal liability on the Manager, any Member, or any officer.
12. **Indemnification.** The Company will indemnify and defend the Members and their agents, the Manager and its agents, and any officers and agents of the Company, from and against all costs, losses, liabilities and damages incurred by or asserted against any such person in connection with the Company's business to the fullest extent provided or allowed by law.
13. **Amendment.** This Agreement may be amended only by written instrument executed by the Members and indicating an express intention to amend this instrument.
14. **Governing Law.** This Agreement will be interpreted, construed and enforced in accordance with the laws of Virginia.

The undersigned have executed this Agreement effective as of March 12, 2019.

*[signature page follows]*

**MANAGING MEMBER:**

**FC PHASE 1 MANAGING MEMBER LLC,**  
a Virginia limited liability company

BY: NHT Communities,  
a District of Columbia nonprofit corporation,  
its Co-Managing Member

By:   
Name: Priya Jayachandran  
Title: President

AND

BY: Piedmont Housing Alliance,  
a Virginia nonstock corporation,  
its Co-Managing Member


By:   
Name: Sunshine Mathon  
Title: Executive Director

**NON-MANAGING MEMBER:**

**PIEDMONT HOUSING ALLIANCE,**  
a Virginia nonstock corporation

By:   
Name: Sunshine Mathon  
Title: Executive Director

**ACKNOWLEDGED BY ORGANIZER:**

By:   
Name: Sunshine Mathon  
Title: Organizer

**Exhibit A**

**to Operating Agreement  
of  
FC Phase 1 LLC**

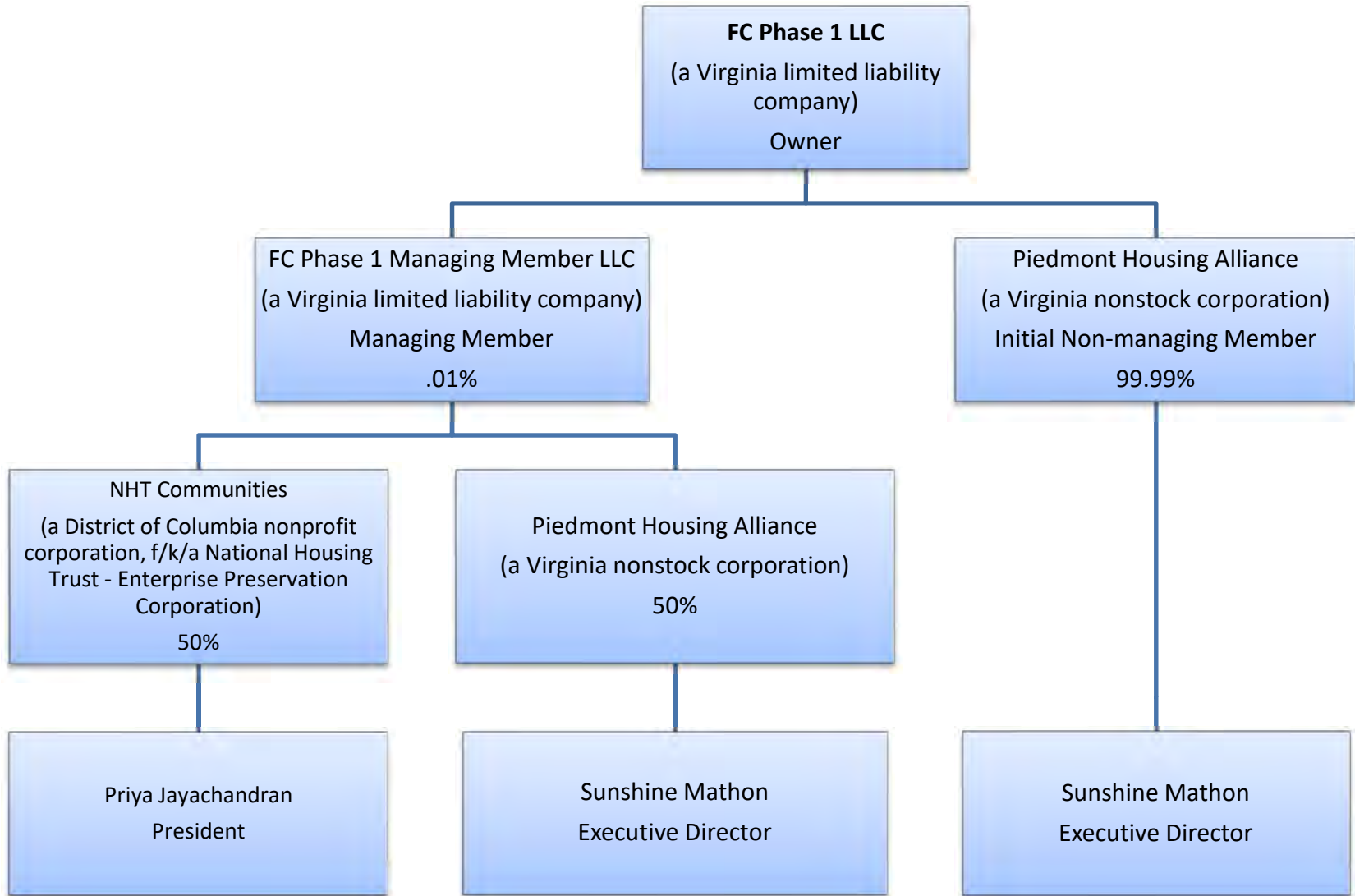
List of Members and Percentage Interests

Effective Date: March 12 2019

<b>Member Name and Address</b>	<b>Percentage Interest</b>
Piedmont Housing Alliance 682 Berkmar Cir. Charlottesville VA 22901 Attn: Sunshine Mathon Email: <a href="mailto:smathon@piedmonthousing.org">smathon@piedmonthousing.org</a>	99.99%
FC Phase 1 Managing Member LLC 1101 30th St. NW Suite 100A Washington DC 20007 Attn: Kevin White Email: <a href="mailto:Kwhite@nhtinc.org">Kwhite@nhtinc.org</a>	0.01%
<b>TOTAL</b>	<b>100.00%</b>

# Organizational Chart

Development Name: Friendship Court Phase 1



## DEVELOPMENT AGREEMENT

**THIS DEVELOPMENT AGREEMENT** (this "Agreement") made as of March 12, 2019 by and between FC Phase 1 LLC, a Virginia limited liability company (the "Company") and FC Phase 1 Developer LLC, a Virginia limited liability company (the "Developer").

### Recitals

WHEREAS, the Company was formed to acquire, construct, develop, improve, maintain, own, operate, lease, dispose of and otherwise deal with an apartment project located in Charlottesville, Virginia, known as Friendship Court (the "Project").

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

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

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Amended and Restated Operating Agreement of the Company of even date herewith (the "Operating Agreement").

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

#### Section 1. Development Services.

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

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

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

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

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

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

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

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

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

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

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

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

efficiency or cost of the Project (including energy efficiency and green sustainability building practices);

(G) applying for and maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction of the Project (including any applicable special use, site plan, or zoning approvals applicable to building construction);

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

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

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

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

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

(iv) Inspect the progress of the course of construction of the Project, including attendance at regular construction progress meetings, and including verification of the materials and labor being furnished to and on such construction so as to be fully competent to approve or disapprove requests for payment made by

the Project architect and the general contractor, or by any other parties with respect to the design or construction of the Project, and including review and approval of change orders that extend the construction schedule by more than three weeks and/or exceed \$25,000 individually, and/or which when added to approved and contemplated change orders exceed 75% of the construction contingency, and in addition to verify that the construction is being carried out substantially in accordance with the plans and specifications approved by the Company or, in the event construction is not being so carried out, to promptly notify the Company;

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

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

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

(viii) Comply with all applicable present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter in this subparagraph (ix) called "laws") of all federal, state and municipal governments, courts, departments, commissions, boards and offices, any national or local Board of Fire Underwriters or Insurance Services. Offices having jurisdiction in the county in which the Project is located or any other body exercising functions similar to those of any of



the foregoing, or any insurance carriers providing any insurance coverage for the Company or the Project, which may be applicable to the Project or any part thereof. Any such compliance undertaken by the Developer on behalf of and in the name of the Company, in accordance with the provisions of this Agreement, shall be at the Company's expense. The Developer shall likewise ensure that all agreements between the Company and independent contractors performing work in connection with the Project shall include the agreement of said independent contractors to comply with all such applicable laws;

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

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

(xi) Use its best efforts to accomplish the timely completion of the Project in accordance with the approved plans and specifications and the time schedules for such completion approved by the Company, including the securing of all close-out materials from the general contractor;

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

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

Section 2. Limitations and Restrictions. Notwithstanding any provisions of this Agreement, the Developer shall not take any action, expend any sum, make any decision, give any consent, approval or authorization, or incur any obligation with respect to (i) any matter not related to the construction or construction financing of the Project, including but not limited to the acquisition of the Project, the organization of the Company, obtaining permanent financing,

obtaining an investor for the Company or leasing up the Project, such matters to be performed or supervised by the Managing Member and (ii) any of the following matters unless and until the same has been approved by the Company:

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

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

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

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

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

### Section 3. Accounts and Records.

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

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

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

Section 4. Obligation To Complete Construction and to Pay Development Costs.

The Developer shall complete the construction of the Project or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanics', materialmen's or similar liens, and shall equip the Project or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, provided for in the Project Documents and the Plans and Specifications. The Developer also shall cause the achievement of Final Closing in accordance with the terms of the Operating Agreement. If the Specified Proceeds as available from time to time are insufficient to cover all Development Costs and achieve Final Closing, the Developer shall advance or cause to be advanced to the Company from time to time as needed all such funds as are required to pay such deficiencies. Any such advances ("Development Advances") shall, to the extent permitted under the Project Documents and any applicable regulations or requirements of any Project Lender or Agency, be reimbursed at or prior to Final Closing only out of Specified Proceeds available from time to time after payment of all Development Costs. Any balance of the amount of each Development Advance not reimbursed through Final Closing shall not be reimbursable to the Developer and shall not be credited to the Capital Account of any Member, or otherwise change the interest of any Person in the Company, but shall be borne by the Developer under the terms of this Agreement, provided, however, if the Managing Member makes a Development Advance, such Advance shall be repaid as a Completion Loan under the Operating Agreement.

Section 5. Development Amount.

Any Development Advances made by the Developer shall be reimbursed from Specified Proceeds as set forth in Section 4. As reimbursement for any additional Development Advances and as a fee for its services in connection with the development of the Project and the supervision of the construction/rehabilitation of the Project, the Developer shall be paid an amount (the "Development Amount") equal to the lesser of (a) Two Hundred Twenty-five Thousand and No/100 Dollars (\$225,000); or (b) the maximum amount which conforms to the developer fee standards imposed by the Virginia Housing Development Authority.

Section 6. Applicable Law.

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

Section 7. Binding Agreement.

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

Section 8. Headings.

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

Section 9. Terminology.

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

For purposes of this Agreement, the following terms have the following meanings:

"Development Costs" means any and all costs and expenses necessary to (i) cause the construction of the Project to be completed, in a good and workmanlike manner, free and clear of all mechanics', materialmen's or similar liens, in accordance with the Plans and Specifications, (ii) equip the Project with all necessary and appropriate fixtures, equipment and articles of personal property (including, without limitation, refrigerators and ranges), (iii) obtain all required certificates of occupancy for the apartment units and other space in the Project, (iv) finance the construction of the Project and achieve Final Closing in accordance with the provisions of the Project Documents, (v) discharge all Company liabilities and obligations arising out of any casualty occurring prior to Final Closing generating insurance proceeds for the Company, (vi) fund any Company reserves required hereunder or under any of the Project Documents at or prior to Final Closing, (vii) repay and discharge the construction loan from senior construction lender; and (viii) pay any other costs or expenses necessary to achieve the Completion Date and Final Closing.

"Specified Proceeds" means (i) the proceeds of all Project Loans, (ii) the net rental income, if any, generated by the Project prior to Final Closing which is permitted by the Project Lenders to be applied to the payment of Development Costs, (iii) the Capital Contributions of the Investor Member, (iv) the Capital Contributions of the Managing Member in the amounts set forth in the Operating Agreement as of the Initial Closing, and (v) any insurance proceeds arising out of casualties occurring prior to Final Closing.

Section 10. Benefit of Agreement.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[Signature Page to Development Agreement]

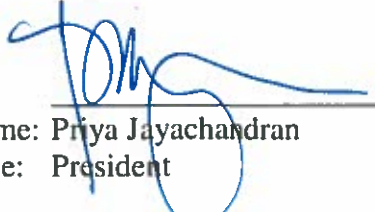
**IN WITNESS WHEREOF**, the parties have caused this Agreement to be duly executed as of the date first written above.

**COMPANY:**

**FC PHASE 1 LLC,**  
a Virginia limited liability company


**BY: FC PHASE 1 MANAGING MEMBER LLC,**  
a Virginia limited liability company,  
its Managing Member

**BY: NHT Communities,**  
a District of Columbia nonprofit corporation,  
its Co-Managing Member

By:   
Name: Priya Jayachandran  
Title: President

AND

**BY: Piedmont Housing Alliance,**  
a Virginia nonstock corporation,  
its Co-Managing Member

By:   
Name: Sunshine Mathon  
Title: Executive Director

[Signature Page to Development Agreement]

**DEVELOPER:**


**FC PHASE 1 DEVELOPER LLC,**  
a Virginia limited liability company

BY: NHT Communities,  
a District of Columbia nonprofit corporation,  
its member

By:   
Name: Priya Jayachandran  
Title: President

AND

BY: Piedmont Housing Alliance,  
a Virginia nonstock corporation,  
its member

By:   
Name: Sunshine Mathon  
Title: Executive Director

**WRITTEN CONSENT  
OF THE  
CO-MANAGING MEMBERS  
OF  
FC PHASE 1 MANAGING MEMBER LLC**

March 12, 2019

WHEREAS, Piedmont Housing Alliance, a Virginia nonstock corporation (“PHA”), and NHT Communities, a District of Columbia nonprofit corporation (“NHTC”), are the Co-Managing Members (each, a “Co-Managing Member”) of FC Phase 1 Managing Member LLC, a Virginia limited liability company (“Managing Member”);

WHEREAS, the Managing Member is the managing member of FC Phase 1 LLC, a Virginia limited liability company (the “Company”);

WHEREAS, PHA and NHTC endeavor separately and jointly, directly, and indirectly through affiliated entities including the Managing Member and the Company, to redevelop, construct, maintain, and operate a low-income housing facility to be known as Friendship Courts Phase 1 in Charlottesville, Virginia (the “Project”);

WHEREAS, in connection with that endeavor, PHA will submit on behalf of the Company an Application for Reservation to the Virginia Housing Development Authority in connection with the 2019 Federal Low Income Housing Tax Credit Program (the “Application”);

WHEREAS, each of the Co-Managing Members desires to authorize the other to act as necessary, jointly or separately, to undertake actions necessary to fulfill the joint intentions of PHA, NHTC and the Managing Member, to carry out the Project, and to submit the Application; and

NOW, THEREFORE, BE IT RESOLVED, that in connection with the foregoing, PHA and NHTC each are authorized and instructed to individually and separately execute the Application and any documents, certifications or agreements required or advisable in connection therewith, as a Co-Managing Member of the Managing Member, the managing member of the Company; and

BE IT RESOLVED, that such action by PHA or NHTC individually or separately shall bind the Managing Member.

*[Remainder of Page Intentionally Blank. Signatures Appear on Following Page.]*



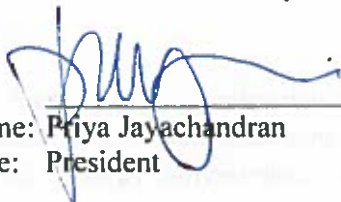
**CO-MANAGING MEMBERS OF FC PHASE 1 MANAGING MEMBER, LLC:**

**PIEDMONT HOUSING ALLIANCE,**  
a Virginia nonstock corporation,

By:   
\_\_\_\_\_

Name: Sunshine Mathon  
Title: Executive Director

**NHT COMMUNITIES,**  
a District of Columbia nonprofit corporation

By:   
\_\_\_\_\_

Name: Priya Jayachandran  
Title: President

B

Virginia State Corporation  
Commission Certification  
(MANDATORY)

# Commonwealth of Virginia



## STATE CORPORATION COMMISSION

*Richmond, March 7, 2019*

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

**FC Phase 1 LLC**

*was this day issued and admitted to record in this office and that the said limited liability company is authorized to transact its business subject to all Virginia laws applicable to the company and its business. Effective date: March 7, 2019*



*State Corporation Commission*

*Attest:*

*Joel Heck*  
Clerk of the Commission

Form  
LLC-1011

(Rev. 12/2017)

Virginia State  
Corporation  
Commission



# Articles of Organization Virginia Limited Liability Company

▶ See instructions that follow

Filing Fee:  
\$100.00

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

### Article I

The name of the limited liability company ("the company") is:

FC Phase 1 LLC

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

### Article II

A. The name of the company's initial registered agent is:

Boyd & Sipe PLC

- S 401984-2

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.

### Article III

A. The 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

126 Garrett Street, Suite A

Charlottesville

VA 22902

(number/street)

(city or town)

(zip)

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

### Article IV

The company's principal office address, including the street and number, is

682 Berkmar Circle

Charlottesville

VA 22901

(number/street)

(city or town)

(state)

(zip)

Signature(s) of Organizer(s):

Signature	Printed Name	Date	Telephone No. (optional)
	Sunshine Mathon	3/6/19	

**COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION**

AT RICHMOND, MARCH 7, 2019

The State Corporation Commission has found the accompanying articles submitted on behalf of

**FC Phase 1 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 March 7, 2019.

STATE CORPORATION COMMISSION

By

A handwritten signature in black ink that reads "Judith Williams Jagdmann". The signature is written in a cursive, flowing style.

Judith Williams Jagdmann  
Commissioner

# Commonwealth of Virginia



## State Corporation Commission

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

The foregoing is a true copy of all business entity documents on file in the Clerk's Office of the Commission relating to FC Phase 1 LLC, a VIRGINIA limited liability company.

Nothing more is hereby certified.



*Signed and Sealed at Richmond on this Date:  
March 7, 2019*

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

C

Principal's Previous  
Participation Certification  
(MANDATORY)



## Previous Participation Certification

Development Name:

Friendship Court Phase 1

Name of Applicant (entity):

FC Phase 1 LLC

I hereby certify that:

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



**Previous Participation Certification, cont'd**

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

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

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

Signature

**Sunshine Mathon**

Printed Name

**March 6, 2019**

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



## Previous Participation Certification

Development Name: Friendship Court Phase 1  
Name of Applicant (entity): FC Phase 1 LLC

I hereby certify that:

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

**Previous Participation Certification, cont'd**

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

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

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

  
Signature

Priya Jayachandran

Printed Name

President, Co-Managing Member    March 13, 2019

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: Friendship Court Phase 1  
 Name of Applicant: FC Phase 1 LLC

**INSTRUCTIONS:**

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 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 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Piedmont Housing Alliance Controlling GP (CGP) or 'Named' Y\*  
**Principal's Name:** **Managing Member of Proposed property?\*** Y or N  
\*shared control of MM ent

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 Friendship Court Charlottesville, VA	NHTE Piedmont Garrett Square LP (434)817-2436	Y	150	150	1/1/2003	5/5/2004	N
2 Crozet Meadows Apartments Crozet, VA	Crozet Meadows, LP	Y	66	66	7/27/2010	6/10/2011	N
3 Virnita Court Charlottesville VA	Virnita Court LP (434) 817-2436	Y	16	9	8/16/20007	4/21/2008	N
4 Monticello Vista Apartments, Charlottesville VA	Monticello Vista Apartments, LP (434) 817-2436	Y	50	50	12/31/2009	10/1/2010	N
5 Scottsville School Apartments	Scottsville School Apartments, LP (434) 817-2436	Y	34	34	11/9/2012	9/24/2013	N
6 Carlton Views I Charlottesville, VA	Carlton Views I, LLC (804) 920-5435	N	54	54	12/9/2016	8/14/2017	N
7 Lily Ridge Ruckersville, VA	Lily Ridge VA, LLC	N	48	48	9/4/2015	3/9/2016	N
8 Lovingson Ridge Lovingson, VA	Lovingson Ridge VA LLC	N	64	64	1/1/2014	12/22/2014	N
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\* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

**1st PAGE**  
**TOTAL:** 482 475

**LIHTC as %**  
**99% of Total Units**

# List of LIHTC Developments (Schedule A)



Development Name: Friendship Court Phase 1  
 Name of Applicant: FC Phase 1 LLC

**INSTRUCTIONS:**

- 1 A Schedule A is required for every individual that makes up the GP or Managing Member - does not apply to principals of publicly traded corporations.
- 2 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 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: NHT Communities Controlling GP (CGP) or 'Named' N  
 Managing Member of Proposed Y or N

#	Development Name/Location	Name of Ownership Entity and Phone Number	'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	Belton Woods / Anderson SC	Belton Wood, LP 202-333-8931	Y	200	200	5/1/2002	5/14/2004	N
2	Meridian Manor / Washington DC	Meridian Manor - Chapin Street, LP 202-333-8931	Y	34	34	12/31/2002	6/21/2004	N
3	Friendship Court Apartments / Charlottesville VA	NHTE Piedmont Garrett Square Limited Partnership 202-333-8931	Y	150	150	1/1/2003	5/5/2004	N
4	51st and King / Chicago IL	King Preservation L.P. 312-422-7700	N	96	96	10/1/2003	7/8/2004	N
5	Hazel Hill / Fredericksburg VA	Fredericksburg Affordable Housing Limited Partnership 202-333-8931	Y	96	96	11/29/2004	11/6/2006	N
6	Galen Terrace / Washington DC	Galen Terrace, L.P. 202-333-8931	Y	147	147	3/3/2006	10/2/2007	N
7	R Street Apartments / Washington DC	R Street Preservation Partners, L.P. 202-333-8931	Y	130	130	9/28/2007	9/21/2009	N
8	Skyview Apartments / Scranton PA	Greatview Development Limited Partnership 954-566-7450	N	188	188	3/12/2008	11/6/2009	N
9	Mountain View Towers / Cumberland MD	Cumberland Housing Preservation Partners, L.P. 619-543-4200	N	114	114	2/25/2010	6/25/2012	N
10	Buckingham Gardens (Parcel A) / Arlington VA	Buckingham Village Limited Partnership 202-333-8447	N	92	92	4/21/2011; 4/26/11; 5/18/11; 5/27/11; 6/30/11; 9/30/11; 10/27/11; 10/31/11; 11/30/11; 12/16/11; 12/21/11	1/29/2013	N
11	St. Dennis / Washington DC	NHTE St. Dennis LP 202-333-8931	Y	32	32	10/1/2011	1/30/2012	N
12	Poppleton II Apartments / Baltimore MD	Poppleton Partners II, L.P. 202-333-8931	Y	111	111	5/1/2011	2/3/2014	N
13	Pullman Wheelworks / Chicago IL	104th Street Limited Partnership 312-447-4500	N	210	210	12/21/2011	9/30/2014	N
14	Monsenor Romero / Washington DC	3145 Mount Pleasant Street L.P. 202-333-8931	Y	63	63	11/12/2014	6/12/2015	N
15	Buckingham Village (Parcel B) / Arlington VA	BV3 Parcel B Limited Partnership 202-333-8447	N	48	48	2/25/2015; 3/13/15; 4/27/15; 6/30/15; 7/31/15	3/17/2016	N
16	Laurelwood Place Apartments / Bridgeport CT	Laurelwood Housing Associates Limited Partnership 207-774-5101	N	102	102	3/17/2015	5/25/2016	N
17	Castlewood Apartments / Davenport IA	Davenport MAHC LLLP 202-333-8931	Y	96	96	12/8/2016; 11/1/2017	2/20/2018	N
18	Courtyard Senior Apartments / Cincinnati OH	Cincinnati NHTE Housing, L.P. 202-333-8931	Y	137	137	11/7/2017	6/18/2018	N
19	Phoenix House / Atlanta GA	Phoenix Nimbus, LP 202-333-8931	Y	69	69	10/27/2017	8/16/2018	N
20	Riverview Apartments / Chatanooga, TN	Riverview Housing Associates, LP (207) 774-5101 x202	Y	161	161	10/1/2018	1/9/2019	N
21	Sarah's Circle / Washington DC	Sarah's Circle Renewal LLC 202-332-1400	N	49	49	TBD	TBD	N
22	Liberty Place / Washington DC	Liberty Place Apartments LLC 202-333-8931	Y	71	71	TBD	TBD	N
23	Mass Place / Washington DC	Mass Place Apartments LLC 202-333-8931	Y	160	160	TBD	TBD	N
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\* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE  
 TOTAL: 2,556 2,556

LIHTC as %  
 100% of Total Units

# List of LIHTC Developments (Schedule A)



Development Name: Friendship Court Phase 1  
 Name of Applicant: FC Phase 1 LLC

**INSTRUCTIONS:**

- 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.
- 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.
- List only tax credit development experience since 2003 (i.e. for the past 15 years)
- Use separate pages as needed, for each principal.

Principal's Name: FC Phase 1 Managing Member LLC Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y  
Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	<b>single purpose</b>							
2	<b>managing member</b>							
3	<b>established for this project</b>							
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5	<b>no prior experience</b>							
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\* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 0 0 #DIV/0! LIHTC as % of Total Units

Supplemental Information for List of LIHTC Developments

FC Phase 1 LLC was formed for the single purpose of development Friendship Court Phase 1. FC Phase 1 LLC has no prior development experience.



E

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

## OPTION TO LEASE

This Option to Lease (this "*Agreement*"), effective as of March 1, 2019 ("*Effective Date*"), is made by and between NHTE Piedmont Garrett Square Limited Partnership, a Virginia limited partnership having an address of c/o NHT-Enterprise, 1101 30<sup>th</sup> Street, NW, #100A, Washington, DC 20007 ("*Landlord*"), and FC Phase 1 LLC, a Virginia limited liability company having an address of 682 Berkmar Circle, Charlottesville, Virginia 22901 ("*Tenant*").

## RECITALS

- A. Landlord is the owner of certain real property located in the City of Charlottesville, Virginia and described on the attached Exhibit A ("*Property*"), and wishes to grant Tenant an option to lease the Property.
- B. Tenant wishes to accept the option to lease the Property on the terms and conditions stated below.

Therefore, the parties agree as follows:

## AGREEMENT

1. **Grant of Option.** In consideration of Landlord's receipt of \$10.00 from Tenant (which is hereby acknowledged), Landlord hereby grants to Tenant the exclusive right and option to lease the Property ("*Option*") at any time after the Effective Date, and continuing until 5:00 p.m. on May 1, 2020 (the "*Expiration Date*").
2. **Ground Lease.** Tenant shall be permitted to assign and encumber its leasehold interest under the Ground Lease, in accordance with the terms of the Ground Lease, as security for debt financing for the Project; however, Landlord shall retain the right to carry out and retain certain capital improvements for use in this and other phases of a related redevelopment project. This Option shall not be recorded; however, the Ground Lease or a memorandum thereof is expected to be recorded or memorialized in the appropriate office of public records, in accordance with the laws of the Commonwealth of Virginia. All costs of transfer and such recordation will be borne by Tenant. The Ground Lease shall be for a term of 99 years. The amount of the Initial Capitalized Rent Payment (as defined in the Ground Lease) will be equal to \$2,240,000 payable upon execution of the Ground Lease in cash or by promissory note bearing interest at the applicable federal rate, which amount shall be for both the lease of the land and the acquisition of the existing improvements (subject to Landlord's reversionary interest) and the parties shall allocate such amount between the land and improvements. The Ground Lease will be "triple net" lease, with Tenant being responsible for all costs of maintenance and operations.
3. **Application of Consideration to Ground Rent.** If Tenant elects to purchase the Property under the terms and conditions of this Agreement, the consideration paid for the Option will not be applied to the ground rent.
4. **Exercise of Option.** Tenant may exercise the Option by giving Landlord written notice, signed by Tenant, on or before the Expiration Date.
5. **Proof of Title.** Landlord will, at Tenant's expense, furnish Tenant a policy of title insurance, written by a title insurer acceptable to Tenant, insuring the title to the Property on terms acceptable to Tenant.

6. **Failure to Exercise Option.** If Tenant does not exercise the Option in accordance with its terms and before the Expiration Date, the Option and the rights of Tenant will automatically and immediately terminate without notice. In the event Tenant fails to exercise the Option, Landlord will retain the sum paid as consideration for the Option.
7. **Notices.** All notices provided for in this Agreement will be deemed to have been duly given if and when deposited in the United States mail with proper and sufficient postage affixed, properly addressed to the party for whom intended at the party's address listed above, or when delivered personally to such party.
8. **Binding Effect.** This Agreement will be binding upon and inure only to the benefit of the parties to it.
9. **Marketing.** Landlord shall not market the Property or enter into any contract or option to sell the Property prior to the Expiration Date.
10. **Contingencies.** Tenant's exercise of the option is contingent upon the following, without limitation: (a) the Tenant determining the feasibility of the Property for development, (b) the Tenant obtaining financing for the development of the Property, including an allocation of tax credits from the Virginia Housing Development Authority, and (c) determinations satisfactory to the Tenant that the Property and Tenant's development plan meet all applicable governmental requirements, including without limitation any review and approvals that may be required pursuant to the National Environmental Policy Act ("NEPA") and related requirements under 24 CFR Parts 50 or 58, if applicable.

*[signature pages follow]*

[signature page to Option to Lease]

**TENANT:**

**FC PHASE 1 LLC,**  
a Virginia limited liability company


BY: **FC PHASE 1 MANAGING MEMBER LLC,**  
a Virginia limited liability company,  
its Managing Member

BY: **NHT Communities,**  
a District of Columbia nonprofit corporation,  
its Co-Managing Member

By:   
Name: Priya Jayachandran  
Title: President

AND

BY: **Piedmont Housing Alliance,**  
a Virginia nonstock corporation,  
its Co-Managing Member

By:   
Name: Sunshine Mathon  
Title: Executive Director

**LANDLORD:**

**NHTE PIEDMONT GARRETT SQUARE LIMITED PARTNERSHIP**  
a Virginia limited partnership

BY: **NHTE Piedmont Garret Square – I, L.L.C.,**  
a Virginia limited liability company,  
its general partner

By:   
Name: Kevin B.W. White  
Title: Manager

Exhibit A to Option to Lease

Property Description for Phase 1 of Friendship Court Redevelopment

February 27, 2019

Friendship Court Redevelopment Phase 1 is a parcel of land comprising approximately 3.87 acres, being the easternmost portion (the "Phase 1 Parcel") of a larger tract of real property lying within the City of Charlottesville, Virginia, owned by NHTE Piedmont Garrett Square Limited Partnership ("NHTE Piedmont Garrett Square LP, and described in the tax records of the City of Charlottesville as Tax Parcel 280112000, NHTE Piedmont Garrett Square LP having taken title to the real property by deed recorded in the office of the Clerk of Circuit Court of Charlottesville, Virginia in Deed Book 876 at Page 72, the real property being more particularly described by the following metes and bounds: beginning at a pk nail found along the west line of 6th Street, S.E. north of its intersection with Monticello Avenue, said point being the point of beginning, thence departing 6th Street, S.E. and with the northwest radial arc of its intersection with Monticello Avenue along a curve to the right, with a chord bearing north  $85^{\circ} 35' 39''$  east 49.68', having a radius of 30.00' and a length of 58.53' to a pk nail found; thence with the north line of Monticello Avenue the following courses: north  $38^{\circ} 30' 49''$  west 120.51' to an iron rod found; along a curve to the right, with a chord bearing north  $30^{\circ} 09' 56''$  west 127.22, having a radius of 438.12' and a length of 127.67' to a point; along a curve to the left, with a chord bearing north  $30^{\circ} 09' 56''$  west 176.00', having a radius of 606.12' and a length of 176.62' to a point; north  $38^{\circ} 30' 49''$  west 287.33' to an iron rod found; thence departing Monticello Avenue, and with the northeast radial arc of its intersection with 2nd Street, S.E. along a curve to the right, with a chord bearing north  $09^{\circ} 45' 15''$  west 28.87', having a radius of 30.00' and a length of 30.12' to an iron rod found; thence with the east line of 2nd Street, S.E. the following courses: north  $19^{\circ} 00' 20''$  east 361.37' to an iron rod found; north  $19^{\circ} 00' 20''$  east 100.00' to an iron rod found; thence departing 2nd Street, S.E., and with the southeast radial arc of its intersection with Garrett Street, along a curve to the right, with a chord bearing north  $64^{\circ} 55' 52''$  east 28.74', having a radius of 20.00' and a length of 32.06' to an iron rod found; thence with the south line of Garrett Street the following courses: south  $69^{\circ} 08' 27''$  east 164.46' to a pk nail found; along a curve to the right, with a chord bearing north  $64^{\circ} 29' 53''$  east 260.59', having a radius of 1608.89' and a length of 260.87' to a point; south  $59^{\circ} 51' 10''$  east 356.35' to a pk nail found; thence departing Garrett Street and with the southwest radial arc of its intersection with 6th Street, S.E., along a curve to the right, with a chord bearing south  $13^{\circ} 42' 28''$  east 28.84', having a radius of 20.00' and a length of 32.22' to an iron rod found; thence with the west line of 6th Street, S.E., the following courses: south  $32^{\circ} 26' 15''$  west 100.00' to a pk nail found; south  $32^{\circ} 26' 15''$  west 509.21' to an iron rod found; south  $29^{\circ} 42' 07''$  west 186.95' to the point of beginning, and containing 11.771 acres, more or less, as shown on a boundary survey exhibit by Timmons Group dated February 27, 2019.

# City of Charlottesville, Virginia

400-426 GARRETT ST

## Base Information

<b>Parcel Number:</b>	280112000	<b>Current Owner:</b>	NHTE PIEDMONT GARRETT SQUARE LMT PART
<b>State Code:</b>	3.0 Multi-Family	<b>Attention:</b>	No Data
<b>Tax Type:</b>	Taxable	<b>Owner Address:</b>	1101 30TH ST NW STE 400
<b>Zone:</b>	DE	<b>Owner City State:</b>	WASHINGTON DC
<b>Acreage:</b>	11.7580	<b>Owner Zip Code:</b>	20007
<b>Legal:</b>	PARCELS 12 & 13		

## Additional Data

<b>Elementary School Zone:</b>	280112000
<b>Voting Precinct:</b>	3.0 Multi-Family
<b>Neighborhood:</b>	Taxable

## Stormwater Utility Information

<b>Impervious Area:</b>	469
<b>Billing Units:</b>	234,100 sq. ft.
<b>Projected Stormwater Utility Annual Fee:</b>	\$6,753.60



## Commercial Details

<b>Use Code:</b>	Apartments over 20 units
<b>Year Built:</b>	1978
<b>Gross Area:</b>	78620
<b>Story Height:</b>	8.00
<b>No. of Stories:</b>	2.00

**Commercial Details**

<b>Use Code:</b>	Apartments over 20 units
<b>Year Built:</b>	1978
<b>Gross Area:</b>	78620
<b>Story Height:</b>	8.00
<b>No. of Stories:</b>	2.00

**Additions**

<b>Type</b>	<b>Description:</b>	<b>Area:</b>	<b>Year Built:</b>
Addition	First Floor	78620	No Data

**Ownership History**

<b>Date of Sale</b>	<b>Sale Price</b>	<b>Owner Name</b>	<b>Book</b>
10/31/2002	\$4,800,000.00	NHTE PIEDMONT GARRETT SQUARE LMT PART	876:72
7/12/1977	\$205,103.00	CAVALIER, DEVELOPMENT COMPANY	385:776

**Assessment History**


<b>Year</b>	<b>Land Value</b>	<b>Improvement Value</b>	<b>Total Value</b>
2019	\$6,965,600.00	\$200,100.00	\$7,165,700.00
2018	\$6,965,600.00	\$200,100.00	\$7,165,700.00
2017	\$6,965,600.00	\$194,400.00	\$7,160,000.00
2016	\$2,018,600.00	\$5,652,800.00	\$7,671,400.00
2015	\$1,755,300.00	\$5,383,600.00	\$7,138,900.00
2014	\$1,720,900.00	\$5,278,000.00	\$6,998,900.00
2013	\$1,720,900.00	\$5,278,000.00	\$6,998,900.00
2012	\$1,536,500.00	\$4,712,500.00	\$6,249,000.00
2011	\$1,536,500.00	\$4,404,200.00	\$5,940,700.00
2010	\$1,536,500.00	\$4,404,200.00	\$5,940,700.00
2009	\$1,536,500.00	\$4,404,200.00	\$5,940,700.00
2008	\$1,536,500.00	\$4,404,200.00	\$5,940,700.00
2007	\$1,536,500.00	\$4,404,200.00	\$5,940,700.00
2006	\$1,536,500.00	\$4,404,200.00	\$5,940,700.00
2005	\$921,900.00	\$5,018,100.00	\$5,940,000.00
2004	\$806,600.00	\$4,863,400.00	\$5,670,000.00
2003	\$768,200.00	\$4,339,800.00	\$5,108,000.00
2002	\$768,200.00	\$4,339,800.00	\$5,108,000.00
2001	\$633,100.00	\$4,250,200.00	\$4,883,300.00
2000	\$633,100.00	\$4,250,200.00	\$4,883,300.00
1999	\$527,600.00	\$4,126,400.00	\$4,654,000.00

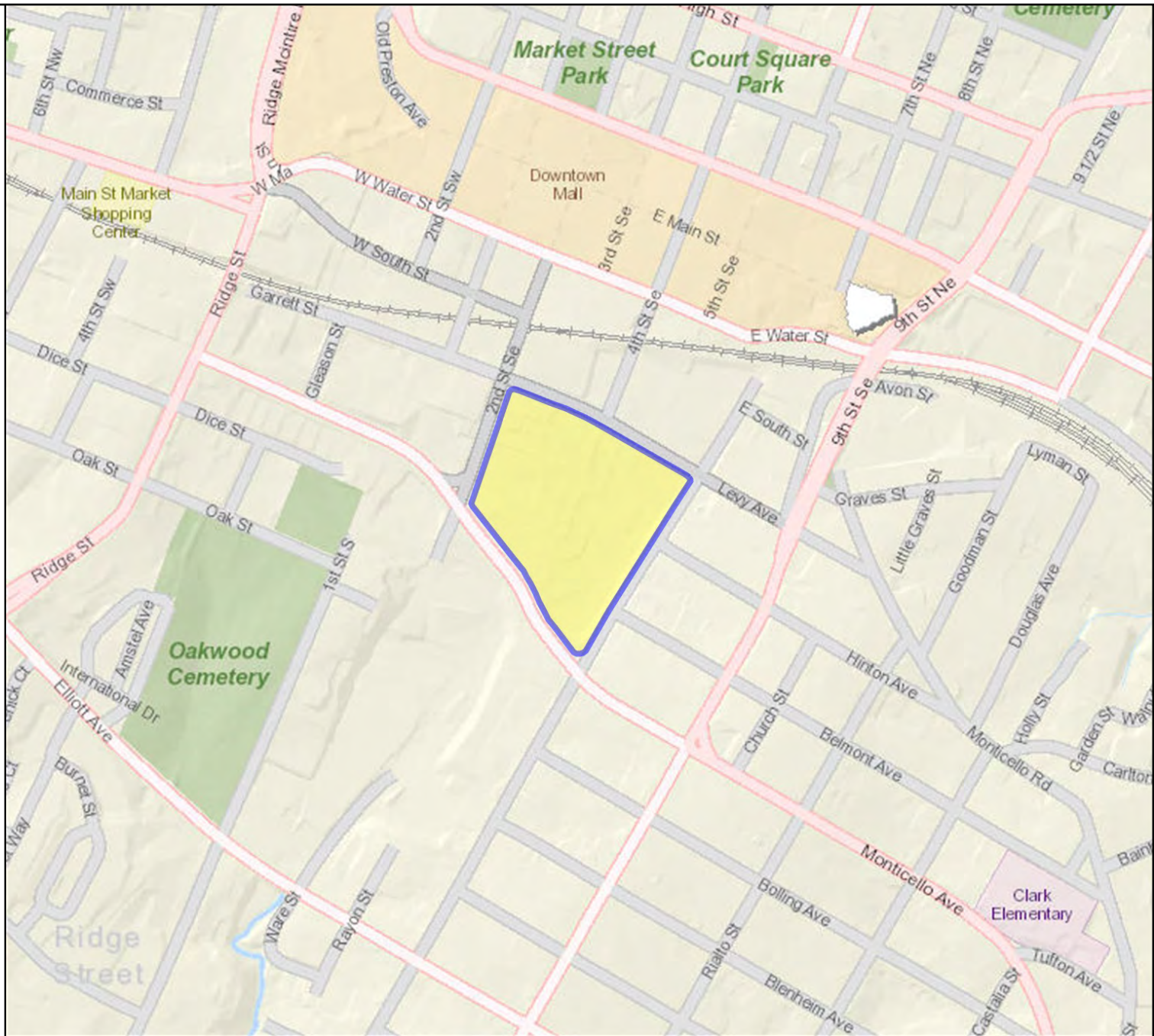
DISCLAIMER: This data is provided without warranty of any kind, either expressed or implied, including but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Any person, firm or corporation which uses this map or any of the enclosed information assumes all risk for the inaccuracy thereof, as City of Charlottesville expressly disclaims any liability for loss or damage arising from the use of said information by any third party.

1998	\$512,200.00	\$4,036,400.00	\$4,548,600.00
1997	\$384,100.00	\$4,164,500.00	\$4,548,600.00



**Legend**

 City Limits



**Title: Parcels**

**Date: 2/28/2019**

*DISCLAIMER: This drawing is neither a legally recorded map nor a survey and is not intended to be used as such. The information displayed is a compilation of records, information, and data obtained from various sources, and Charlottesville is not responsible for its accuracy or how current it may be.*



F

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



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

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

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

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

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

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

Accessibility certifications on page 6 are for tax credit point categories only and are not to be confused with minimum code requirements.



# Architect's Certification



Name of Development: Friendship Court Phase 1

Address of Development: Parcel 280112000 (38.025594, -78.480728 Monticello Avenue) (38.027437, -78.479698 Garrett Street) Address to be determined.

Name of Owner: FC Phase 1 LLC

The architect signing this document is certifying that all unit and site amenities indicated in this certification are incorporated into the development plans and specifications, and that all products necessary to fulfill these representations are available for these purposes. The architect signing this document also certifies their understanding that both the excel application and the information in the architect certification must be the same and discrepancies between the excel application and architect's certification can result in penalties or even disqualification.

**The individual who certifies this information must initial the pages where indicated, provide the personal information requested and sign on the last page. This certification should not be mailed separately to VHDA but returned to the developer for inclusion in the tax credit application.**

**(Acknowledge and include this instruction sheet as part of the certification)**

**Acknowledged:**

**Printed Name:**

James R. Boyd, AIA, LEED AP

All developments seeking Virginia Low Income Housing Tax Credits are required to meet one of the following as certified by a RESNET Rater:

- New Construction - EnergyStar Certification  
The development's design meets the criteria for the EnergyStar certification.
- Rehabilitation -30% performance increase over existing, based on HERS Index  
Or Must evidence a HERS Index of 80 or better
- Adaptive Reuse - Must evidence a HERS Index of 95 or better.

Plans and Specifications: Required documentation for all properties (new construction, rehabilitation and adaptive reuse)

- 1 A location map with property(ies) clearly defined.
- 2 A site plan showing overall dimensions of main building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required. For combination 4% and 9% properties, site plan must show all elements of both properties labeled so that the elements are distinguishable as to 4% and 9%.
- 3 Sketch plans of main building(s) reflecting overall dimensions of:
  - a. Typical floor plan(s) showing apartment types and placement
  - b. Ground floor plan(s) showing common areas;
  - c. Sketch floor plan(s) of typical dwelling unit(s);

A Unit by Unit write up is required for all Rehabilitation properties

**This certification includes two (2) separate calculations of square footage:**

1. **Average Gross Unit Square Feet:** Measurements Include A Prorata Share of Heated Residential Common Area
2. **Net Rentable Square Feet:** Measurements *Do Not* Include A Prorata Share of Any Common Area and Reflect All Floor Plans of Each Unit Type (1-BR, 2-BR, etc.) measured from the interior face of the unit perimeter walls

**1. Average Gross Unit Square Feet:** (These measurements impact the scoring of tax credit applications)

For purposes of determining the total residential heated square feet (D), the building(s) were measured from the outside face of exterior walls and the centerline of any party walls. All unheated spaces (B) and nonresidential, (income producing commercial spaces) (C) were subtracted from this measurement. Community rooms, laundry rooms, property management offices and apartments, heated maintenance facilities, and other common space designed to serve residential tenants were not deducted. Based on this procedure, I certify the following calculations in determining the usable heated square feet for the above referenced development:

159,759.09	(A) Total gross floor area in (sq. ft.) for the entire development
1,507.92	- (B) Unheated floor area (breezeways, balconies, storage)
0.00	- (C) Nonresidential, (commercial income producing) area
158,251.17	= (D) Total residential heated area (sq. ft.) for the development

**INSTRUCTIONS FOR AVERAGE UNIT SQUARE FEET CALCULATIONS:**

Provide the average unit size for each bedroom type, (1 bedroom elderly, 2 bedroom garden, 3 bedroom townhouse, etc.) by adding the total square feet of all the same bedroom types (2 bedroom garden with 1 bath and 2 bedroom garden with 2 baths) and adding the prorated share of heated common residential space and divide by the total number of the same bedroom types (2 bedroom garden). Do not alter any items below.

Unit Types	Average Unit Sq. Ft.*	x	Number of Units/Type	=	Total Square Feet
Supportive Housing	0.00		0		0.00
1 Story/EFF-Elderly	0.00		0		0.00
1 Story/1 BR-Elderly	0.00		0		0.00
1 Story/2 BR-Elderly	0.00		0		0.00
Efficiency Elderly	0.00		0		0.00
1 Bedroom Elderly	0.00		0		0.00
2 Bedrooms Elderly	0.00		0		0.00
Efficiency Garden	0.00		0		0.00
1 Bedroom Garden	936.23		21		19,660.83
2 Bedrooms Garden	1,249.56		36		44,984.16
3 Bedrooms Garden	1,616.78		14		22,634.92
4 Bedrooms Garden	1,874.26		3		5,622.78
2+ Story 2 BR Townhouse	1,664.80		8		13,318.40
2+ Story 3 BR Townhouse	2,039.68		16		32,634.88
2+ Story 4 BR Townhouse	2,424.40		8		19,395.20
Total			106	Total	158,251.17 **

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

**2. Net Rentable Square Feet \***

For purposes of calculating Net Rentable Square Feet, the units were measured from the face of each unit perimeter wall. The values below therefore indicate the actual square footage of each unit floor plan. (For example, there may be 2 distinct 1-bedroom floor plans, 3 distinct 2-bedroom floor plans, etc. The purpose of this section of the Architect Certification is to document and certify the floor space attributable to residential rental units in the development.)

Percentage of Net Rentable Square Feet Deemed To Be **New Rental Space**

100.00%

	<u>Unit Type</u>	<u>Floor Plan Square Feet</u>	<u>Number of Units This Floor Plan</u>	<u>Total</u>
Mix 1	1 BR - 1 Bath	612.14	2	1224.28
Mix 2	1 BR - 1 Bath	659.89	3	1979.67
Mix 3	1 BR - 1 Bath	659.89	1	659.89
Mix 4	1 BR - 1 Bath	612.14	2	1224.28
Mix 5	1 BR - 1 Bath	659.89	1	659.89
Mix 6	1 BR - 1 Bath	659.89	1	659.89
Mix 7	1 BR - 1 Bath	612.14	4	2448.56
Mix 8	1 BR - 1 Bath	659.89	7	4619.23
Mix 9	2 BR - 2 Bath	951.16	5	4755.8
Mix 10	2 BR - 2 Bath	1144.01	1	1144.01
Mix 11	2 BR - 2 Bath	907.09	1	907.09
Mix 12	2 BR - 2 Bath	907.09	2	1814.18
Mix 13	2 BR - 2 Bath	919.52	1	919.52
Mix 14	2 BR - 2 Bath	919.52	1	919.52
Mix 15	2 BR - 2 Bath	943.15	1	943.15
Mix 16	2 BR - 2 Bath	951.16	1	951.16
Mix 17	2 BR - 2 Bath	951.16	5	4755.8
Mix 18	2 BR - 2 Bath	1144.01	1	1144.01
Mix 19	2 BR - 2 Bath	1144.01	3	3432.03
Mix 20	2 BR - 2 Bath	907.09	1	907.09
Mix 21	2 BR - 2 Bath	943.15	1	943.15
Mix 22	2 BR - 2 Bath	951.16	1	951.16
Mix 23	2 BR - 2 Bath	951.16	2	1902.32
Mix 24	2 BR - 2 Bath	907.09	3	2721.27
Mix 25	2 BR - 2 Bath	919.52	1	919.52
Mix 26	2 BR - 2 Bath	943.15	2	1886.3
Mix 27	2 BR - 2 Bath	951.16	8	7609.28
Mix 28	2 BR - 2 Bath	1144.01	2	2288.02
Mix 29	2 BR - 2 Bath	1225.39	1	1225.39
Mix 30	3 BR - 2 Bath	1237.14	2	2474.28
Mix 31	3 BR - 2 Bath	1235.23	2	2470.46
Mix 32	3 BR - 2 Bath	1270.75	1	1270.75
Mix 33	3 BR - 2 Bath	1386.64	1	1386.64
Mix 34	3 BR - 2 Bath	1235.23	2	2470.46
Mix 35	3 BR - 2 Bath	1237.14	2	2474.28
Mix 36	3 BR - 2 Bath	1270.75	2	2541.5
Mix 37	3 BR - 2 Bath	1386.64	1	1386.64
Mix 38	3 BR - 2 Bath	1386.64	1	1386.64
Mix 39	3 BR - 2.5 Bath	1425.98	1	1425.98
Mix 40	3 BR - 2.5 Bath	1713.92	1	1713.92
Mix 41	3 BR - 2.5 Bath	1425.98	5	7129.9
Mix 42	3 BR - 2.5 Bath	1713.92	5	8569.6
Mix 43	3 BR - 2.5 Bath	1425.98	1	1425.98
Mix 44	3 BR - 2.5 Bath	1713.92	1	1713.92
Mix 45	3 BR - 2.5 Bath	1425.98	1	1425.98
Mix 46	3 BR - 2.5 Bath	1713.92	1	1713.92
Mix 47	4 BR - 2 Bath	1490.69	1	1490.69
Mix 48	4 BR - 2 Bath	1490.69	1	1490.69
Mix 49	4 BR - 2 Bath	1490.69	1	1490.69
Mix 50	4 BR - 2.5 Bath	1958.94	8	15671.52
<b>Totals</b>			<b>106</b>	<b>119639.9</b>

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

DEV Name: Friendship Court Phase 1

**Development Amenities:**

I certify that the development's plans and specifications and proposed budget incorporate all items from VHDA's most current Minimum Design and Construction Requirements and the Unit by Unit write up. In the event the plans and specifications do not include VHDA Minimum Design and Construction Requirements and any immediate needs and recommendations from the Physical Needs Assessment, then those requirements still must be met, even though the application is accepted for credits. Please note that this may cause the Application to be ineligible for credits. The Requirements apply to any new, adaptive reuse or rehabilitated development (including those serving elderly and/or physically disabled households).

The Minimum Design & Construction Requirements may be found on VHDA's website at.....

[www.VHDA.com](http://www.VHDA.com)

For any development upon completion of construction/rehabilitation: (non-mandatory amenities)

(Enter TRUE in each box where appropriate)

TRUE a. The development will have a community/meeting room with a minimum of 749 square feet.

66 b.i,ii Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls (excluding triangular gable end area, doors, windows, kneewalls, columns, retaining walls, stairwells and any features that are not a part of the façade)  
Community buildings are to be included in percentage calculations.

TRUE c. Water expense will be sub-metered (tenant will pay monthly or bi-monthly bill)

FALSE d. Each bathroom consists only of Water Sense labeled toilets, faucets and showerheads

TRUE e. Provide necessary infrastructure in all units for high-speed internet/broadband service.

TRUE f. Free Wi-Fi access will be provided for community room for resident only usage.

FALSE g. Each Unit is provided free individual high-speed Internet access

OR

TRUE h. Each Unit is provided free individual Wi-Fi access

TRUE i,j. Bath fan wired to primary light with delayed timer, or, continuous exhaust by ERV/DOAS OR  
Bath Fan with humidistat

TRUE k. Fire Prevention - all Ranges equipped with temperature limiting controls

OR

FALSE l. Fire Suppression - Cooking surfaces are equipped with fire suppression features

FALSE m. Rehab only- Each apartment has dedicated space, drain and electrical hookups  
to accept a permanently installed dehumidification system OR

TRUE n. All development types- Each Unit is equipped with a permanent dehumidification system

TRUE o. All interior doors within units are solid core

TRUE p. At minimum one USB charging port in each Kitchen, Living room and all bedrooms

TRUE q. All Kitchen light fixtures are LED and meet MDCR lighting guidelines

TRUE r. Shelf or ledge outside each primary apartment entry door located in an interior hallway

FALSE s. New Construction only- Each unit to have balcony or patios minimum depth 5' clear from face of building.  
Minimum 30 square feet.

DEV Name: Friendship Court Phase 1

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

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

For all rehabilitation and adaptive reuse developments, upon completion of construction/rehabilitation:  
(optional point items)

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

**Building Structure:**

Number of Stories

- Low-Rise** (1-5 stories with any structural elements being wood frame construction)
- Mid-Rise** (5-7 stories with no structural elements being wood frame construction)
- High-Rise** (8 or more stories with no structural elements being wood frame construction)

**Accessibility:**

I certify that the development plans and specifications meet all requirements of the federal Americans with Disabilities Act and Fair Housing Act (if applicable).

I certify that the development plans and specifications meet all requirements of HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act. Complying units must be "permanently accessible," rather than to "adaptable" standards. Please reference Uniform Federal Accessibility Standards(UFAS) for more particular information.


Check one or none of the following point categories, as appropriate:

- Any development in which (i) the greater of 5 units or 10% of the total # of units will be assisted by HUD project-based vouchers or another form of documented and binding federal, state or locality project-based rent subsidies in order to ensure occupancy by extremely low-income persons; and (ii) the greater of 5 or 10% of the units will conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act.  
(All of the units described in (ii) above must include roll-in showers (must contain permanent grab bars and fixed seats), roll under sinks, and front controls for ranges unless agreed to by the Authority prior to the applicant's submission of its application.)  
**60 pts.**
- Any development in which the greater of 5 units or 10% of the total # of units (i) have rents within HUD's Housing Choice Voucher payment standard; (ii) conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act  
**30 pts.**
- Any development in which **five percent (5%)** of the total # of units (i) conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act  
**15 pts.**

For any accessibility option elected above, all common space must also conform to accessibility requirements of HUD Section 504 regulations.



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

Signed:   
Printed Name: James R. Boyd, AIA, LEED AP  
Title: Principal  
Virginia Registration #: 0401004107  
Phone: 434-296-5353  
Date: 3/12/2019

**NOTE TO ARCHITECT:** If representations in plans and specifications and/or any information certified in this certification is misrepresented then the architect may be penalized. Any change in this form may result in disqualification or a reduction of points under the scoring system. If you have any questions, please call JD Bondurant at VHDA (804) 343-5725.

Return this certification to the developer for inclusion in the tax credit application package.

DEV Name: Friendship Court Phase 1



**Appendix F  
VHDA's Universal Design Certification**

**TRUE** Units in the development will meet VHDA's **Universal Design Guidelines**.  
Before issuance of IRS Form 8609, applicant will provide documentation to VHDA as evidence that such units meet VHDA's Universal Design guidelines.

The number of rental units that will meet these standards: 60

The total number of rental units in this development: 106

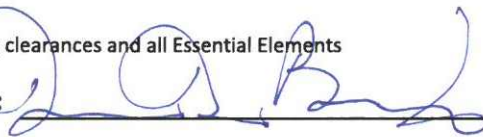
**NOTE:** For Elderly Developments, 100% of the units in the development must meet the Universal Design standards in order to qualify for points.

For Family Developments, points are awarded based on a percentage of the number of units meeting the Universal Design standards.

For the tax credit applicant to qualify for points associated with Universal Design, the architect of record must be on VHDA's list of Universal Design certified architects. VHDA Universal Design Certifications are only valid for 2019 applications if certification date is after January 1, 2014

All tax credit applications which include amenity points for providing VHDA Universally Designed dwelling units must include plans that clearly identify the following items in the format found on vhda.com or no points will be awarded:

- Overall building plans identifying the location of Universal Design dwelling units, and the means of vertical transportation (if applicable), along the accessible route (Minimum scale 1/8"=1'-0"). Include a legend and Universal Design General Notes section. Anything other than a fully handicap accessible elevator must have been presented to and approved by VHDA for this project at least two weeks prior to submission of reservation application.
- Site plan and building plans identifying accessible pedestrian routes from all Universal Design units to accessible parking, leasing office, community room, laundry facility, mailboxes, garbage collection areas and public transportation pick up areas. Architect must identify running slope and cross slope of route, and consider any obstructions. Include required number of accessible parking spaces, a legend for the accessible route, and a Universal Design general notes section.
- Enlarged Universal Design unit plans (Minimum scale 1/4"=1'-0") identifying clearances and all Essential Elements

**Signed:** 

**Printed Name:** James R. Boyd, AIA, LEED AP  
**Architect of Record**  
**(same individual as on page 7)**

**Date:** 3/12/19

## **2019 UNIVERSAL DESIGN CHECK LIST**

New and Adaptive Re-use Units, Pick 10 Optional Items  
Rehab Units, Pick 5 Optional Items

SUBMIT CHECKLIST TO VHDA PRIOR TO PRE-CONSTRUCTION MEETING.

<b><u>ESSENTIAL ELEMENTS</u></b>	<b><u>SHEET OR SPEC LOCATION</u></b>
<b>1. Route</b>	
1.1 Accessible Route	C4.2
1.2 Accessible Parking	C4.2, 03-A101
1.3 Garbage Collection	C4.2, 03-A101 to 03-A105
1.4 Common Spaces	01-A101, 03-A110 to 03-A111
1.5 Curb Cuts	C4.2, A007
1.6 Ramps	C4.2, A007
<b>2. Movement</b>	
2.1 Exterior Walkways	C4.2, A007
2.2 Interior Passageways	01-A102, 03-A102 to 03-A105, A503 to A507
2.3 Level Space at Entryways	01-A102, 03-A102 to 03-A105, A503 to A507
2.4 Clear Space on Pull Side of All Doors	01-A102, 03-A102 to 03-A105, A503 to A507
2.5 Interior Passage Doorways	01-A102, 03-A102 to 03-A105, A503 to A507
2.6 Exterior Doorways and Unit Entry	01-A102, 03-A102 to 03-A105, A503 to A507
<b>3. Approach</b>	
3.1 Clear Floor Space	03-A110 to 03-A111, A503 to A507
3.2 Reach Range	03-A110 to 03-A111, A503 to A507
3.3 Operation	03-A110 to 03-A111, A503 to A507
3.4 Door Hardware	03-A110 to 03-A111, A503 to A507
3.5 Plumbing Fixtures	03-A110 to 03-A111, A503 to A507
<b>4. Kitchens</b>	
4.1 Clear Floor Space	03-A110 to 03-A111, A503 to A507
4.2 Range	03-A110 to 03-A111, A503 to A507
4.3 Refrigerator	03-A110 to 03-A111, A503 to A507
4.4 Sink	03-A110 to 03-A111, A503 to A507
4.5 Multiple Height Work Surfaces	03-A110 to 03-A111, A503 to A507
4.6 Base Cabinets	03-A110 to 03-A111, A503 to A507
<b>5. Bathrooms</b>	
5.1 Bathroom Type (# of Option A Baths)	A503 to A507
5.2 Bathing Area (# of Step in Showers)	30
5.3 Roll-in Showers (# of Roll in Showers)	30
5.4 Shower Fixtures	A000A, A503 to A507
<b>6. Laundry</b>	
6.1 Side by Side, Front Loading Equipment	A503 to A507

<b>OPTIONAL ELEMENTS</b>	<b>Included (X)</b>	<b>SHEET OR SPEC LOCATION</b>
<b>7. Route</b>		
7.1 Weather Sheltered Entryways	X	01-A201 to 01-A202, 03-A202
7.2 Signage	X	03-A110 to 03-A111, A503 to A507
<b>8. Movement</b>		
8.1 Access to All Common Areas	X	C4.2, 01-A101, 03-A101 to 03-A102, 03-A110 to 03-A111
8.2 Operable Patio Double Doors		
<b>9. Approach</b>		
9.1 Accessible Windows		
<b>10. Kitchens</b>		
10.1 Extra Floor Space	X	A503 to A507
10.2 Roll-Under Range		
10.3 Cabinet Hardware	X	A503 to A507
10.4 Full Extension Drawers and Shelves		
10.5 Task Lighting		
10.6 Full Length Pantry Style Cabinet	X	A503 to A507
<b>11. Bathrooms</b>		
11.1 Extra Floor Space	X	A503 to A507
11.2 Roll-Under Vanity or Sink	X	A503 to A507
11.3 Tilt Mirror		
11.4 Extra, Non-Glare Lighting		
11.5 Solid In-Wall Blocking	X	A503 to A507
<b>12. Bedrooms</b>		
12.1 Closets		
<b>13. Audio/Visual</b>		
13.1 Audio/Visual Doorbell	X	A503 to A507
13.2 Visual Alarm	X	A503 to A507
13.3 Thermostats		
<b>14. Innovation</b>		
14.1 Innovation		

Provided that the development’s architect of record is on the Authority’s list of Universal Design Certified Architects, and all essential elements and the required number of optional elements are incorporated into the design and construction of the qualified UD units:

- 15 points, if all the units in an elderly development meet this requirement.
- 15 points multiplied by the percentage of units meeting this requirement for non-elderly developments.

PROPERTY NAME: Friendship Court Phase 1

APPLICANT:

 / Date 3/12/19  
 (same as Arch Cert) Pre-Construction Signature / Date

\_\_\_\_\_  
 Post-Construction Signature / Date  
 \_\_\_\_\_  
 Post-Construction Signature / Date

SITE ENGINEER:  
 (if owner retained)

\_\_\_\_\_  
 Pre-Construction Signature / Date

\_\_\_\_\_  
 Post-Construction Signature / Date



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 Viridian'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

**TRUE 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: John C Semmelhack

Date: 2/4/19

Printed Name: John C. Semmelhack

Resnet Provider Agency  
Viridiant

RESNET Rater  
Signature [Signature]

Provider Contact and Phone/Email Sean Evensen-Shanley, 804-212-1934, sean.evensen-shanley@viridiant.org



Piedmont Housing Alliance  
682 Berkmar Circle  
Charlottesville, VA, 22901

March 6, 2018

Ting Fiber, Inc. ("Ting") welcomes the opportunity to submit this Letter of Intent ("Letter") to facilitate Ting's involvement as an Internet Service Provider in the proposed redevelopment of Friendship Court by Piedmont Housing Alliance ("Piedmont").

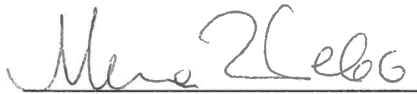
This letter is an expression of intent only, and is not meant to be binding on either Ting or Piedmont (the "Parties") now or at any point in time in the future. The Parties acknowledge that the points set forth in this Letter, as well as points beyond the scope of this Letter, are subject to Piedmont's successful grant application, as well as the completion of negotiation and execution of a final and binding Definitive Agreement, which is satisfactory to each Party in its sole discretion. Accordingly, the Parties do not intend to be bound until they enter into a Definitive Agreement regarding the subject matter.

While this Letter does not encompass all of the terms and conditions of the Definitive Agreement, the goal of this Letter is to specify key points which ultimately will be included within the Definitive Agreement. The Parties therefore agree as follows:

- Term: 15 years, plus 10-year renewal
- During the redevelopment of Friendship Court, Ting shall coordinate with construction managers to install fiber-optic cables into open joint utility trenches and splice into its network at the curb. Once buildings are ready, Ting shall install cables inside buildings as appropriate.
- Once residential tenants are ready to move into a unit, Ting shall provision symmetrical fiber-optic gigabit (1000 mbps/1000 mbps) Internet service, with a WiFi-enabled router, to the unit.
- Service will be provided to each residential unit at \$12.95/month, and all residential units will be bulk billed to Piedmont Housing Alliance on a monthly basis.
- Piedmont shall reimburse Ting \$400 per residential unit, as an installation subsidy. Of the \$400, \$200 per unit will be due upon commencement of construction, and the final \$200 will be billed in monthly increments, as units are occupied and provisioned on the network.
- All easements for the fiber-optic cable on the redeveloped Friendship Court property will be provided at no cost and in perpetuity.
- Ting Internet will be recognized as the Internet Service Provider partner in the redevelopment of Friendship Court in any publicity on the initiative.

We are very excited about the opportunity to partner with Piedmont Housing Alliance on the Friendship Court project. As longtime champions of fair access to the Internet, and the power of the Internet for positive change, we believe this initiative will provide important impetus for economic equity in Charlottesville. If you have any questions on the content of this letter, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in cursive script that reads "Monica Webb". The signature is written in dark ink and is positioned above a thin horizontal line.

Monica Webb  
Director, Market Development & Government Affairs  
Ting Fiber, Inc.

## **Broadband WiFi Access Lease Addendum**

Residents can access the building's network to access high speed broadband wireless internet.

Broadband WiFi will be available free to residents in the community room. Passwords will change periodically as a security measure and to ensure that access remains only available to current residents of the building. Property management staff will provide the updated community room password to current residents as they are changed.

High speed broadband FIOS-based internet provided by Ting is also free to residents within the apartments. Ting will provide the equipment, which is subject to the following terms of service. The terms of service will become part of your lease as an addendum.

The following language is the Broadband WiFi Access Lease Addendum and applies to both the community room as well as your individual residence.

### **1. INTRODUCTION**

**1.1 Service Description:** Landlord agrees to provide non-exclusive, dedicated high-speed Broadband WiFi access ("Broadband WiFi Access") to Tenant during the Lease Term and subject to the terms and conditions of this Addendum.

**1.2 Lease Controlling.** Except, as otherwise set forth in this Addendum, the terms and conditions of the Lease shall control the relationship and rights of the parties. Any terms not defined herein shall be accorded the meaning set forth in the Lease. In the event of any conflict, inconsistency or ambiguity between the Lease and this Addendum, such conflict shall be resolved by reference to the Lease.

### **2. TERM AND TERMINATION**

**2.1 Term and Termination.** The effective date of this Addendum shall be the date of its execution and delivery by both parties. This Addendum shall remain in effect throughout the Lease Term of the Lease unless terminated earlier in accordance with paragraph 2.2.

**2.2 Termination.** This Addendum is subject to termination as follows:

- a. By written consent of both parties;
- b. By Landlord if Tenant breaches any obligation hereunder;
- c. By Landlord if Tenant breaches any obligation under the Lease and fails to cure



same in accordance with the applicable cure provision set forth therein, if one is designated;

d. Upon termination of the Lease for any reason;

e. Immediately in the event Tenant becomes involved in any voluntary or involuntary bankruptcy proceeding, appoints or has appointed a receiver for the benefit of its creditors, makes an assignment for the benefit of creditors, or is involved in any other insolvency proceeding.

f. By Tenant in accordance with paragraph 5.5 below.

**2.3 Rights Upon Termination.** Upon termination of this Addendum: (I) any amounts due to Landlord hereunder shall be accelerated and be due and payable immediately; (ii) Landlord shall terminate Tenant's Broadband WiFi Access; and (iii) Landlord shall be entitled to pursue any and all remedies available hereunder, under the Lease, or at law, or in equity including the right of injunctive relief.

### **3. Connection Services**

**3.1 Set-Up.** Landlord shall ensure that the cabling or wireless access point for the Broadband WiFi Access is accessible to Tenant from within the premises. Tenant shall be responsible at its sole cost and expense for all costs and expenses associated with establishing a connection between the cabling or wireless access point and Tenant's computer systems.

**3.2 Equipment.** Tenant shall be responsible for obtaining at its sole cost and expense the equipment (including but not limited to, computers, routers, servers, modems, firewalls, hubs, switches, networking equipment, network cabling, etc.) necessary to connect to and use the Broadband WiFi Access. Landlord shall supply the equipment for the central Broadband WiFi access point (including but not limited to, hub, switch, router, firewall, wireless access point, etc.).

**3.3 Use Monitoring and Limitations.** Tenant is allocated use of the Broadband WiFi Access on a shared bandwidth basis, sharing bandwidth with other tenants within the building.

Tenant agrees to abide by the Acceptable Use Policy of the Broadband WiFi service provider (ISP). Broadband WiFi access may be terminated at the discretion of the Landlord should it be determined that the Acceptable Use Policy is violated, or if excessive bandwidth usage causes regular disruption of service to other Tenants of building.

**3.4 IP Address.** The Tenant will not be given a static IP Address.

**3.5 Maintenance.** Landlord shall be responsible for maintenance of central Broadband WiFi access equipment (including hub, switch, router, firewall, wireless access point, etc.). Maintenance and repairs will be provided in a reasonable time frame. Landlord shall not be responsible for service issues beyond the demarcation point, defined as the

Wide Area Network (WAN) port on the equipment (router, hub, or firewall) which connects the premises network to the Broadband WiFi. Landlord shall report ISP service issues directly to the ISP. Tenant shall be responsible for reporting service issues to Landlord.

#### **4. Limitation of Liability and Disclaimer of Warranty**

**4.1 Limitation of Liability.** LANDLORD DISCLAIMS ALL LIABILITY WHATSOEVER FOR INDIRECT, CONSEQUENTIAL AND INCIDENTAL DAMAGES, ARISING OUT OF THE FAILURE OR INABILITY OF LANDLORD TO PROVIDE ACCESS TO OR USE OF THE BROADBAND WIFI ACCESS OR OTHERWISE IN RESPECT OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, LOSSES OR DAMAGES RESULTING FROM THE LOSS OF DATA OR SERVICES.

**4.2 Disclaimer of Warranties.** LANDLORD MAKES ABSOLUTELY NO WARRANTIES WHATSOEVER WITH RESPECT TO THE BROADBAND WIFI ACCESS OR ANY OTHER SERVICES PROVIDED HEREUNDER, AND SPECIFICALLY DISCLAIMS ANY AND ALL WARRANTIES, WHETHER EXPRESSED OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR AN INTENDED PURPOSE. Tenant acknowledges that the Broadband WiFi

Access is provided by a third party to Landlord. Use of the Broadband WiFi Access and its operation may be subject to events over which Landlord has no control, including but not limited to, equipment failure, telecommunications interruptions, Broadband WiFi service interruptions, and power outages. TENANT HAS SOLE RESPONSIBILITY FOR ENSURING THE SECURITY OF ITS COMPUTER EQUIPMENT, SOFTWARE AND DATA. LANDLORD DOES NOT PROVIDE ANY SECURITY OR PROTECTION AGAINST UNAUTHORIZED ACCESS TO TENANT'S COMPUTERS, SOFTWARE OR DATA VIA THE BROADBAND WIFI, OR FROM VIRUSES OR OTHER ACTS BY THIRD PARTIES WHICH MAY BE COMMITTED VIA THE BROADBAND WIFI.

**4.3 Indemnification.** Tenant shall indemnify, defend and hold harmless Landlord from and against any and all losses, liabilities, damages, costs of suit, attorney's fees and any other expenses which may be incurred by or asserted against Landlord or its partners in connection with Tenant's use of the Broadband WiFi Access.

**4.4 No Responsibility for Content.** Tenant should be aware that there may be some information on the Broadband WiFi or otherwise available through the Broadband WiFi Access which may be offensive, or which may not be in compliance with laws of certain jurisdictions. Landlord assumes no responsibility for the content contained on the Broadband WiFi or made available by others and shall have no liability whatsoever for any claims, losses, actions, damages, suits or proceedings arising out of or otherwise relating to access to such content by Tenant. The Landlord assumes no obligation to monitor transmissions made on the Broadband WiFi Access.

**4.6 High Risk Activities.** The Broadband WiFi Access is not fault-tolerant and is not

designed or intended for use in situations requiring fail-safe performance or in which an error or interruption in the Broadband WiFi Access could lead to injury to business, persons, property or environment ("High Risk Activities"). Such High Risk Activities may include, without limitation, vital business or personal communications, or activities where accurate data or information is required. Tenant expressly assumes the risks of any damages resulting from High Risk Activities.

## **5. Use of the Broadband WiFi Access**

**5.1 Use Restrictions.** Tenant shall not use the Broadband WiFi Access for: (I) any purpose which is in violation of any copyright, trademark, patent or trade secret rights of any person; or  
(ii) any purpose which is in violation of any state or federal laws or regulations presently existing or hereinafter enacted.

**5.2 Resale.** Tenant agrees not to resell the Broadband WiFi Access or otherwise charge others to use the Broadband WiFi Access, in whole or in part, directly or indirectly, or on a bundled basis. The Broadband WiFi Access is to be used solely by the Tenant.

**5.3 Application Hosting.** The Broadband WiFi Access is for Tenant's general use only. Tenant shall not use the Broadband WiFi Access to provide access to the Broadband WiFi by third parties. Tenant agrees not to use the Broadband WiFi Access for operation as an Broadband WiFi Service Provider, a server site for FTP, Telnet, Rlogin, E-Mail hosting, Web hosting or other similar applications, unless these applications are solely for the internal use and benefit of Tenant.

**5.4 Interference with the Service.** Tenant agrees not to restrict, inhibit or otherwise interfere with, or knowingly disrupt the Broadband WiFi Access.

**5.5 Additional Rules or Conditions of Use.** Landlord may in the future adopt additional rules or conditions of use for the Broadband WiFi Access. In the event such rules or conditions are adopted, then Landlord shall: (I) notify Tenant of the URL address for reviewing said rules and conditions; and (ii) such rules and conditions shall become a part of and be incorporated into this Agreement. Tenant shall be obligated to periodically review the additional terms and conditions (if adopted) to ensure its compliance therewith, and its continued use of the Broadband WiFi Access shall be deemed its agreement to the additional terms and conditions. In the event Tenant does not agree to any terms and conditions, which may be adopted in the future, then Tenant shall be permitted to terminate this Agreement and its use of the Broadband WiFi Access by providing written notice to Landlord.

## **6. Billing and Payment for Services**

**6.1 Set-up and Monthly Fee.** Upon the execution of the Residential Lease a set-up fee of **\$0.00** is due in full.

**6.2 Monthly Fee.** Upon execution of the Residential Lease the tenant's fixed monthly rent amount in the Lease will increase by **\$0.00** per month.

## **7. General**

**7.1 Entire Addendum and Understanding.** This Addendum constitutes the entire

agreement between the parties with respect to the subject matter herein.

**7.2 Modifications in Writing.** This Addendum may be modified or amended only by written instrument signed by each of the parties hereto.

**7.3 Governing Law.** This Addendum shall be binding upon the successors, heirs and assigns of the parties and shall be governed by and interpreted according to the laws of the State of Idaho. Any legal action brought with regard to this contract shall be brought only in the court of appropriate jurisdiction within the State of Idaho.

**7.4 Headings.** Headings used in this Addendum are for convenience only and shall not be used to interpret or construe its provisions.

**7.5 Notices.** All notices or other documents under this Addendum shall be in writing and

delivered personally or fax received, or mailed, postage prepaid, addressed to Landlord and the Tenant at their addresses as set forth in the Lease.

**7.6 Severable.** The total invalidity or unenforceability of any particular provision of this Addendum shall not affect the other provisions hereof and this Addendum shall be construed in all respects as if such invalid or unenforceable provision were omitted.

**7.7 No Waiver.** The failure of Landlord to enforce any term or condition of this Addendum shall not be deemed a waiver thereof and shall not prevent its later enforcement.

**IN WITNESS WHEREOF**, the parties hereto, intending to be legally bound hereby, and in consideration of the covenants and agreements contained herein, do hereby agree to the terms of this agreement by execution of the Residential Lease between Tenant and Landlord.

Piedmont Housing Allppliance  
Dba- FC Phase 1 LLC

By: \_\_\_\_\_ Date: \_\_\_\_\_

TENANT(S):

By: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_

DRAFT LETTER – Broadband WiFi Introduction

DATE

Name

Address

City, State, Zip

**RE: Broadband WiFi Introduction**

Welcome (Insert Resident Name)!

We are thrilled that you have chosen to join our community. Your new home and community are special for many reasons. Within your new home, you have free broadband WiFi. This is one of the many special features of your new home. It is secure, it is easy and it is always available to you in your home.

We will provide training to every resident and encourage you to come to the training sessions. These sessions will occur every quarter in our onsite offices. We hope that you will be able to join one of these sessions, but if your schedule doesn't permit we will coordinate a time that works for you individually. These will be offered in coordination with Ting. As technology continues to move forward, we will also invite Ting to come and share updates (added security, new features, troubleshooting, etc.)

We know that this a great feature of our property and we ask that you review the attached documents. Once you have read the documents, please sign the term of service document. The property manager will make a copy of this for records.

Again, we hope you are thrilled to have free broadband WiFi that is safe, secure and in your new home at no cost to you.

Sincerely,

Alliance Management

My network name is

My network password is



[twitter.com/tingsandpoint](https://twitter.com/tingsandpoint)



[facebook.com/tingsandpoint](https://facebook.com/tingsandpoint)



[ting.com/sandpoint](https://ting.com/sandpoint)

# Welcome to crazy fast fiber Internet

Customer guide

**ting** crazy fast  
fiber Internet



## A few important points

### Accessing your online account

You can manage your billing details and see past bills at [ting.com/account](https://ting.com/account). Just login with the information you provided when signing up for Ting service.

### Post-installation check-up

A Ting Internet support agent will reach out the day after your installation to make sure that everything is working to your satisfaction. This agent will be happy to answer any questions, work through any issues or just catch up, if you like. How neighborly.

### One month check-up

Once you've had a month or so to get used to your crazy fast fiber Internet connection, a Ting Internet support agent will give you a ring again, just to check in. This agent can answer any questions about your Internet billing, solve any problems that may have crept up, help explain our referral program (you'll find a couple of referral vouchers in your Ting Internet welcome kit) and so on.

Of course, if you have any questions between our check-ins with you, feel free to get in touch.



## Have more questions?

If you have other questions or if something just isn't working quite right, we're here to help. Just give us a call at 1-844-846-4994, or visit us at [ting.com/internethelp](https://ting.com/internethelp).

### Ting help center

We've answered many of the most common questions on the Ting Internet help site. If your question feels like it might be of the "frequently asked" variety, the answer may well be there already. Check out [ting.com/internethelp](https://ting.com/internethelp) and take a look.

### Live chat

Click on the Help menu that appears at the top of every page on [ting.com](https://ting.com). When agents are online (which is the vast majority of the time) you'll see an option there to open a chat. This is a live chat with a real person as opposed to a bot. That person is ready and willing to answer any questions you may have.

### Phone

Give us a call at 1-844-846-4994. You'll get a real person on the phone within a few rings. Not a robot. Not a phone tree. A person.

I know, right?!





## Troubleshooting

### Confirm your Ting Internet Box is working

There should be at least three lights on your Ting Internet Box that are solid (i.e. not blinking) at all times. Otherwise, there's a problem that needs to be addressed. If either of the Power, Broadband and/ or Service lights are blinking, or if your connection doesn't feel like it's performing at peak speeds, the solution can be surprisingly simple.

Just unplug your Ting Internet box, give it a minute and then plug it back in. Wait a minute for your Ting Internet Box to get online. This simple step is enough to fix many of the connection issues you might face. If not, please read on.

### Do a reboot

If manually unplugging and plugging the Internet Box in didn't work, you can try rebooting through the Ting Internet Box web interface. Your Internet Box comes with a sticker that lists its username and password. Using those credentials, login to your Internet Box web interface by going to <http://192.168.1.1> in your Internet browser of choice.

1. Navigate through the following menus: Utilities > Reboot
2. Click on the Reboot button, and the router will start the rebooting process.

If you're still experiencing some problems, head on over to our Help Center - we've got handy documentation and tutorials up that may be helpful: [ting.com/internethelp](http://ting.com/internethelp)



## Billing

### What to expect on your first bill

Your billing cycle kicks off on the day that the installation is completed. Your Internet service is billed a month in advance (prepaid), so your first bill will cover the installation fee and your Internet cost for the following month. Your future bills will be just for the cost of your monthly Internet plan unless you add additional services like Ting mobile or Internet service at another address.

DATE	BILLING PERIOD	DESCRIPTION	AMOUNT
Oct 9	Oct 9 - Nov 8	Installation + First month of Internet service	\$\$\$
Nov 9	Nov 9 - Dec 8	Second month of Internet service	\$\$\$
Dec 9	Dec 9 - Jan 8	Third month of Internet service	\$\$\$

### Viewing your invoices

You can find your monthly invoices by signing in to your Ting account. Simply login to your Ting account tools at [ting.com/account](http://ting.com/account) and click on Billing History on the left hand side. You'll be able to peruse all of your past monthly bills, which can be downloaded as a PDF for your records.

### Paying your bill

We accept Visa, MasterCard, Discover, American Express, and Amazon Payments. Your bill will be automatically paid using your saved payment method each month, shortly after your billing cycle closes. The Billing History panel in your Ting account tools tracks your previous bills as well as bill payments.



## Billing

### Already a Ting mobile customer? What to expect on your first bill

We will sync your Ting Internet service billing cycle to your existing Ting mobile service billing such that both charges come through on the same day. It makes for easier accounting all 'round. This may result in a partial charge for the partial month of service preceding your next mobile bill cycle.

The first bill after your Ting Internet service is active will reflect the installation fee and any partial month Internet service costs. Future bills will be for both the cost of your Internet plan (in advance) plus your mobile usage (in arrears).

DATE	BILLING PERIOD	DESCRIPTION	AMOUNT
June 15	May 16 - June 15	Mobile Usage	\$\$\$
July 5	July 5 - July 14	Pro-rated Internet service + installation	\$\$\$
July 15	July 15 - Aug 14	Internet service	\$\$\$
	June 16 - July 15	Mobile usage	\$\$\$

### Overage charges

Overage charges are super lame. Your Ting Internet agreement includes unlimited usage so you don't have to worry about overage charges.



## Troubleshooting

### Changing your wireless network name and password

In your preferred Internet browser, login to your Ting Internet Box. Go to <http://192.168.1.1> and enter the username and password you'll find listed on a sticker attached to your Internet Box.

Once logged in, you can change your wireless network name by editing the Service Set Identification (also known as SSID).

1. Navigate through the following menus: Wireless > SSID Set-up
2. Next to the Rename SSID field, you can type in your preferred network name, and hit Apply. Keep in mind that your SSID name is visible to anyone within reach of the network.

To change the password of your wireless network, you'll need to edit the Security Key:

1. Navigate through the following menus: Wireless > Security
2. Under Security Key/Passphrase, select the radio button next to Use Custom Security Key, type in your preferred password, and hit Apply.
3. Note: The password can consist of letters, numbers or both, and is limited to 63 characters or less.

## **Ting Internet Terms of Service and**

### **Friendship Court Phase 1 Internet Security Plan**

#### **Introduction**

Ting provides fixed Internet access to customers, both individuals and businesses, within designated serviceable areas on towns listed on our website.

We offer speeds of up to 1 gigabit to homes and businesses. We also offer a 5 mbps service to homes.

To access Ting Internet, you must agree to installation of Ting Internet at your location subject to the terms outlined below. Once you have access your usage of the service should fall within the guidelines for acceptable use outlined below, as well as the rest of these Terms of Service.

#### **Installation**

We may need access to your premises in order to complete the installation of Ting Internet service at your address.

You agree that we can install and affix equipment both inside and outside your premises at any reasonable location. You agree that our installers may need to drill holes in the premises to bring cables indoors. You agree and give permission that we may use any existing facilities in and around your premises, including existing wiring. Likewise, you attest that you have the authority to provide such permissions.

If you rent or otherwise don't own these premises, you are solely responsible for securing the required permission for installation to take place on the premises as outlined above. You may be asked to provide written evidence that you have requested and been afforded all necessary permissions to complete the installation and you should be prepared to present said evidence before installation begins or really, at any time. If you don't properly secure these permissions from the property owner and said owner is super mad and decides to take legal action against us, you agree that you are responsible for all legal costs.

Acceptance of these terms doesn't guarantee that we will install or provide services. We may need a separate agreement with your landlord in order to do the installation.

You grant use a non-exclusive license twenty (20) feet in width for underground or aerial telecommunication lines in, on, along, through, across, and under the premises to connect our network to the demarcation point located inside or outside of Customer's building, together with the right to Ting, its successors, assigns, contractors, and agents, to construct, install, operate, maintain, inspect, repair, renew, remove, and relocate at will, optic cable, conduit connections,

and facilities, to run fiber optic cable and install all other appurtenant equipment, including an Optical Network Terminal (“ONT”) (all hereinafter called “Ting’s Equipment”), and the right of ingress and egress over the Premise and the adjacent lands of the Customer for the purposes of this license, and the right to trim, cut, or remove any trees, brush, undergrowth or obstructions on the Premises which obstruct or interfere with the use of this License by us, and for doing anything necessary or useful or convenient in connection with the foregoing.

Ting or its contractors or agents will install Ting’s Equipment on the Premises. The cost of installation is due upon installation. You will also be responsible for the payment of any additional costs incurred in connection with the installation caused by unforeseen or undisclosed circumstances.

Ting’s Equipment will at all times remain the personal property of Ting, its successors or assigns, and may be removed by us upon the termination of this Agreement.

In the event you have identified the boundaries of the Premises to us in connection with the location of Ting’s Equipment, the cost of relocation of any of Ting’s Equipment due to an error in such identification will be the responsibility of Customer.

It is the your responsibility to locate and mark any private utilities. Any damage caused to private utilities due to an error in such identification will be your responsibility.

### **Installation Fee**

You may be required to pay an installation, construction, connection or other similar fee when signing up for Ting Internet, at or around the time of installation. If we determine that the address is not a residential address, we reserve the right to change the service from a residential to a business service, which may mean extra cost for installation or for monthly services. Any installation or similar fees are non-refundable once we have completed your installation.

### **Monthly Access Fee**

With Ting Internet service, the property is billed a flat “monthly access fee” for each Internet Access location on your account for all or part of your billing period. This amenity is included in your rent is provided to you at no additional charge.

Ting Internet service is meant for use in a single-family dwelling (most people just call it 'home') or a single business location such as a store or office. We love modern families and innovative coworking spaces. That said, sharing a single Internet connection among multiple units—including but not limited to apartments, boarding rooms, homes or business suites—is not permitted.

Other services that are not necessary to use Ting Internet (nice to haves like static IP addresses, for example) may be available at extra cost. The most up to date and complete pricing is always found on the Ting Internet website.

## **Static IP Addresses**

When you subscribe to our services, you will receive a dynamic public IP address. For an additional monthly fee, available on our website, we can provide you with static IP addresses. The address you are provided is for your use while you are a customer of Ting Internet. It is not transferrable and you have no ownership rights over that IP address.

We may on rare occasions need to change the static IP address you have provided. In such case we will do our best to contact you in advance so you can make arrangements for the change.

## **Internet Access Equipment**

We may provide equipment to you in connection with your Ting Internet service. You agree that you are responsible for this equipment and that you may be charged a fee for replacement of the equipment. The costs for renting or replacing this equipment are subject to change and all pricing and fees are detailed on the Ting website. Ting will always strive to price our equipment close to our costs. We're only interested in covering our shipping and equipment costs. We encourage our customers to buy the equipment over renting it. You agree not to use this equipment for any purpose outside of accepting Ting Internet service. Likewise, you agree that we may push software updates to this equipment as necessary, without express notice.

## **Cancelling Services**

You can cancel your service at any time. Upon cancellation, your Services will be available until the end of the billing cycle you cancel within. Refunds will not be pro-rated.

Upon cancellation, you may be required to pay for certain construction or installation fees that were waived at the time you first signed up.

If you cancel service, you may be required to return certain equipment used to provide Services to you. Details on how to return equipment will be sent to you via the email address we have on file. Failure to return equipment according to the terms and timelines contained in that email may result in a charge up to and including the full purchase price of the equipment. If that happens, the equipment would then belong to you.

## **Termination of Services**

Ting Internet reserves the right to terminate some or all of the Services it provides to you at any time, in its sole discretion, for any reason, without notice.

## **Businesses**

Business services are bound by these Terms of Service. Construction, installation, service and other fees may be higher for business users. Business account holders are responsible and liable for all use of the Services, as outlined in these terms.

## **Network Management**

Ting is committed to providing an excellent user experience that supports any lawful product, service, or application that you choose to access through the Ting Internet service.

To do so, Ting Internet engages in reasonable network management practices. In order to provide a better customer experience, we intend to both cache content ourselves and to locate third-party content caches on our network. We will do this based upon user demand for content as we, in our sole discretion, determine appropriate. To be clearer, this is a practice we will engage in in order to provide a better customer experience, not generate revenue.

Use of Ting Internet services is governed by various service terms and conditions that are available here. The information provided does not change the rights or obligations under those terms and conditions of either you or us.

## **Level of Services**

We do not engage in traffic shaping and our service is offered without usage-based fees or volume-based caps.

Ting Internet is offered in several distinct packages. One inexpensive 5mbps download and 5mbps upload offering and two full gigabit offerings, one for home and one for business. In all cases, speeds listed are the top possible speed which may not be achievable at all times. This bandwidth is shared between all devices on the local network that is accessing the Service.

Numerous other factors can impact Internet speeds including but not limited to the type of networking equipment used within the home, the capability of networked devices (often the greatest limiter), the capacity of a Internet sites you're accessing as well as network congestion, to name a few.

## **Network Neutrality**

We do not and will not engage in deep packet inspection beyond the IP, TCP and UDP headers. We will not drop specific Internet traffic in order to preserve the integrity of the network. Likewise, we do not prevent or impede the use of any other lawful product or service that subscribers choose to access via Ting Internet service, provided the use of that product or service does not violate the service terms and conditions.

Ting does not favor or inhibit any applications or classes of applications except as described in this Agreement.

In the unlikely event that demand exceeds network capacity, we may intervene to ensure everyone on the network has a positive experience. In case of acute network congestion, Ting Internet bandwidth will be shared out as equally as possible to everyone accessing lawful content,

services and applications. We may also intervene in the course of responding to an Internet threat. This could mean slower performance across the board while a problem is being addressed.

Ting does not actively limit the types of devices you can use with Ting Internet service. Any device that supports IPv4 and/or IPv6 using either Ethernet or Wi-Fi standards and provided it does not violate any item in these Terms of Service (i.e. doesn't cause harm to the network, others or the Service) is welcome.

## **Network Security**

Ting monitors its networks in order to address threats to the network and to subscribers. We reserve the right to intervene, taking whatever action we deem necessary, to protect the integrity of the network and, for our part, the Internet at large. This includes rights all the way up to terminating or suspending the Ting service of anyone that engages in any activity that violates these Terms of Service.

We use industry-standard tools, policies and best practices to distance subscribers and other Internet users from the negative parts of the Internet. That includes (but is not limited to -- this is a legal document, after all) threats like viruses, spam, denial of service attacks and other unsavory elements of the Internet.

## **Acceptable Use of Ting Services**

This Acceptable Use Policy includes your usage of all Ting products and services (henceforth referred to as "Ting Service" and "Services").

Don't do anything that would be considered misuse as laid out in this Acceptable Use Policy. That includes but is not limited to stuff that would adversely impact other's use and enjoyment of the Services. Your acceptance of this agreement and of the Accepted Use Policy (which is implicit in your use of the Services) is acceptance of the responsibility for all activity relating to your account, whether that activity originates with you or with someone else accessing your Services.

You are legally and financially responsible for any and all activity on your device and your service, regardless of who initiates the activity.

## **Using Ting Internet Services**

Be a good online citizen and we'll get along just fine.

In short, don't download things illegally, don't fall afoul of DMCA and make sure you lock down your wireless router, because you're ultimately responsible for all traffic originating from your Services.

Don't be a bully or a mean troll. The Internet is a better place when people do good things for each other.

If you are using the Services in a residence or other location you do not own or control (such as a hospital, hotel, etc.), you may have agreements related to the Services with property owners, managers, or other third parties outside these Terms; Ting is not a party to such agreements and therefore is not responsible for nor bound to them.

## **Unacceptable Use**

There are lots of different things you can do with your Ting Service. We operate consistent with the premise that “usage which isn’t explicitly denied, is permitted”. That said, there are some very specific things that we don’t want you using your Ting Service for. We call this “Unacceptable Use”.

For most people, here is everything you need to know about the types of things that we don’t want you to use Ting Services for;

- Do not use Ting services to do illegal, fraudulent, threatening or abusive things.
- Don’t do things that interfere with or negatively impact other people’s use of the service or the networks.

For everyone else, here is more detail;

There are two broad types of usage that are unacceptable;

- usage that is explicitly against the law, and;
- usage that Ting does not want to be associated with.

In both cases, use of the Ting Service for either of these types of use is a violation of our Agreement with you and may be grounds for immediate and permanent termination of your Ting Service.

Here’s a tip - generally speaking, if you are reading The Official List of Things You Should Never Use Your Ting Service For to figure out if your use of the service is permitted or not, it probably isn’t. Using Ting Services typically should not entail consultation with a legal professional. Acceptable use is broad and far reaching, and unacceptable use typically lives in the gray area that surrounds acceptable use.

We will update The Official List of Things You Should Never Use Your Ting Service For to take into account new types of Unacceptable Use and more explicitly state what types of use we find unacceptable. This is our list and we have the final say at our sole discretion in what usage we define as unacceptable and how that usage is defined and on occasion we may consider activity not specifically listed here to be inappropriate. You explicitly agree to these terms as a condition of your continued use of the service. If you don’t agree with these terms, your sole recourse is to discontinue all use of your Ting Service.



## **The Official List of Things You Should Never Use Your Ting Service For**

- Unsolicited email, email bombing, proxy email for the purposes of spamming, USENET spam and any and all forms of bulk unsolicited commercial advertising: This includes sending or receiving of mass unsolicited email (SPAM), the direct sending and receiving of such messages, support of such messages via web page, splash page or other related sites, or the advertisement of such services, the sending, return, bouncing or forwarding of email to specified user(s) in an attempt to interfere with or overflow email services, the use of dedicated services to proxy email unsolicited users, the use of dedicated services to act in concert with other services located inside and outside the network to achieve mass unsolicited email (SPAM) to unrelated third parties, the use of dedicated services to send, receive, forward, or post UseNet unsolicited email or posts.
- Illegal Uses: This includes, but is not limited to: death threats, terroristic threats and any other uses related to terrorism, threats of harm or harassment to individuals, organizations or businesses, multi-level marketing schemes, “ponzi schemes”, invasion of privacy, credit card fraud, facilitating, participating in or promoting “high yield investment plans” or “Ponzi schemes” with the intent to defraud, racketeering, defamation, slander and advocating human violence and hate crimes based upon religion, ethnicity, or country of origin.
- Child Pornography: Just don’t. We have a zero tolerance policy on child porn and we’ll turn you over to the authorities and cooperate with them as much as we possibly can to help them in their investigation of your activity.
- Interfering with networks, devices or services: This includes the use of dedicated services or network services for the origination or control of denial of service attacks or distributed denial of service attacks, the storage, distribution, fabrication, or use of malware including virus software, root kits, password crackers, adware, key stroke capture programs and other programs normally used in malicious activity, any activity associated with “phishing”, or “pharming” (and all other cutesie variants of those activities) or systems designed to collect personal information (name, account numbers, usernames, passwords, etc.) under false pretenses and all activity related to illegally or maliciously gaining access to a system, device or network to which you do not have explicit permission to do so.
- Copyright Infringement: This includes direct copyright infringement as defined and noted under Title 17, Section 512 of the United States Code. Maybe think about subscribing to Netflix or Hulu?
- Distracted driving: Stay alive, don’t text, dial or otherwise use your phone while driving. Be smart about safety and make sure you’re operating within the laws and regulations where you are. Even if it is legal, consider whether or not it is safe. Ting is not liable for unwise decisions you make in this regard.

## **Content, Security and Applications**

We are not responsible for the content or security of voicemail, messages, photos or contact lists or other information you create.

Back-up your stuff. We're not responsible for the data stored on your device(s), regardless of where it comes from or what might happen to it.

The Internet is a big place. Not everything you'll find there is nice and some of what you find will be unsuitable for minors. Please keep this in mind. We're not responsible for stuff that's accessed or stored using Ting services. We provide access to the Internet, not all the content it contains.

While we make efforts to keep the network secure, no network security is perfect. You are ultimately responsible for the security of your data and for taking the appropriate measures to protect it. We can't take responsibility for any damages to users of the Services that may be caused by unauthorized third parties.

Not all applications ("apps") work on all devices or systems. When you use applications and "app stores" using your devices through our mobile or fixed networks, it's according to the terms and conditions laid out by those individual applications and in accordance with their privacy policies and fee structure, where applicable.

### **Reporting Unacceptable Use**

Any use of Ting Service that might be unacceptable should be reported. Please send details, to [help@ting.com](mailto:help@ting.com). We may not acknowledge your report, but we will review and take action as appropriate.

### **Avoiding the Tragedy of the Commons**

We will approach each instance on a case-by-case basis and work to resolve outstanding issues in a fair and responsible manner. In most cases we would notify you of an alleged violation of the Acceptable Use Policy before we took any action, but not in all cases. Our intention is to work with our customers and the Internet community to ensure that your use of our network and other networks doesn't interfere with the enjoyment of the network by other individuals, and vice versa. In instances where these interests conflict, we will make a final determination that is binding on all parties involved.

To this end, Ting can refuse service to any individual, group, or business and may discontinue service without notice for any violation of the Acceptable Use Policy.

## **Privacy Policy**

### **Collection and Use of Personal Information**

We collect the following personal information from you:

- Contact Information such as name, email address, mailing address, phone number;
- Billing Information such as credit card number, and billing address;
- Unique Identifiers such as user name, account number, and password;
- Usage activity about how you interact with us such as purchase history, what content you viewed, and which areas of our site you visited; and
- Information about your computer such as your IP address, browser type, referring/exit pages, and operating system.

We use this information to:

- Fulfill your order;
- Send you an order confirmation;
- Respond to customer service requests;
- Administer your account, including allowing you to (a) login to, navigate, and use our website; (b) view and adjust the services you have purchased from us inside your account; and (c) pay your bill or update your billing information;
- Send you communications about how to use our services, including your phone(s);
- Send you communications about new service offerings;
- Solicit your feedback on the quality of our customer service; and
- Respond to your questions and concerns.

### **Choice/Opt-Out**

You may choose to stop receiving our newsletter or marketing emails by following the unsubscribe instructions included in these emails or you can contact us at [help@ting.com](mailto:help@ting.com).

### **Information Obtained from Third Parties**

We obtain address information about you from third party sources, such as the US Postal Service, to verify your address so we can properly ship your order to you and to prevent fraud.

If you provide us personal information about others, or if others give us your information, we will only use that information for the specific reason for which it was provided to us.

### **Disclosure to Third Parties**

We provide your personal information to the shipping company when you purchase a device from us. We also use certain software vendors to manage our customer support, credit card processing, and fraud detection. Our contracts with each of these companies requires them to keep your information safe and secure and not to share the information with anyone other than Ting. We do not sell or share your information with any third-parties so they can market to you.

### **Tracking Technologies**

We may use technologies such as cookies to gather information about how you and others interact with our Web site. For example, we will know how many users access specific areas or features within our site and which links they clicked on. We use this aggregated information to understand and optimize how our site is used, improve our marketing efforts, and provide content and features that are of interest to you.

### **Security**

The security of your personal information is important to us. When you provide sensitive information (such as a credit card number) to us, we encrypt the transmission of that information using secure socket layer technology (SSL). We also follow generally-accepted industry standards to protect the personal information submitted to us, both during transmission and once we receive it.

If you have any questions about security on our Web site, you can contact us at [help@ting.com](mailto:help@ting.com)

### **Data Retention**

We will retain your information for as long as your account is active or as needed to provide you services. If you wish to cancel your account or request that we no longer use your information to provide you services contact us at [help@ting.com](mailto:help@ting.com). We will retain and use your information as necessary to comply with our legal obligations, resolve disputes, and enforce our agreements.

### **Other Information**

Our Web site offers publicly accessible blogs or community forums. You should be aware that any information you provide in these areas may be read, collected, and used by others who access them. To request removal of your personal information from our blog or community forum, contact us at [help@ting.com](mailto:help@ting.com). In some cases, we may not be able to remove your personal information, in which case we will let you know if we are unable to do so.

### **Correcting and Updating Your Personal Information**

To review and update your personal information to ensure it is accurate, you should first log in to your account and review your contact information. If you have difficulties, please contact us at [help@ting.com](mailto:help@ting.com).

### **Notification of Privacy Statement Changes**

We may update this privacy statement to reflect changes to our information practices. If we make any material changes we will notify you by email (sent to the email address specified in your account) or by means of a notice on this Site prior to the change becoming effective. We encourage you to periodically review this page for the latest information on our privacy practices.

G

Zoning Certification Letter  
(MANDATORY)

## Zoning Certification

**DATE:** 3/11/2019

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

**RE:** ZONING CERTIFICATION

Name of Development: Friendship Court Phase 1

Name of Owner/Applicant: FC Phase 1 LLC

Name of Seller/Current Owner: NHTE Piedmont Garrett Square Limited Partnership

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:  
Parcel 280112000 (38.025594, -78.480728 Monticello Avenue) (38.027437, -78.479698 Garrett Street)  
Address to be determined.

Legal Description:  
Legal Description Attached.

Proposed Improvements:

<input checked="" type="checkbox"/> New Construction:	<u>106</u>	# Units	<u>3</u>	# Buildings	<u>159,759.09</u>	Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	<u>          </u>	# Units	<u>          </u>	# Buildings	<u>          </u>	Total Floor Area Sq. Ft.
<input type="checkbox"/> Rehabilitation:	<u>          </u>	# Units	<u>          </u>	# Buildings	<u>          </u>	Total Floor Area Sq. Ft.

**Zoning Certification, cont'd**

Current Zoning: DE - Downtown Extended Corridor; Parking Modified Overlay allowing a density of 43 dwelling units per acre, and the following other applicable conditions: \_\_\_\_\_

**Other Descriptive Information:**

The units above will be located in Phase 1 of the multi-phase redevelopment of Friendship Court. 46 Section 8 units will be for Friendship Court residents who are moving into the newly constructed phase 1 at the redeveloped Friendship Court. The remaining 60 units will be available for rent with income restrictions ranging from 30 - 80% AMI.

**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.



*Clint Shifflett*

Signature

CLINT SHIFFLETT

Printed Name

PROJECT MANAGER

Title of Local Official or Civil Engineer

434 - 327 - 1690

Phone:

3/11/2019

Date:

**NOTES TO LOCALITY:**

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in disqualification of the application.
3. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.



Piedmont Housing Alliance  
Property Description for Phase 1 of Friendship Court Redevelopment  
February 27, 2019

Friendship Court Redevelopment Phase 1 is a parcel of land comprising approximately 3.87 acres, being the easternmost portion (the "Phase 1 Parcel") of a larger tract of real property lying within the City of Charlottesville, Virginia, owned by NHTE Piedmont Garrett Square Limited Partnership ("NHTE Piedmont Garrett Square LP, and described in the tax records of the City of Charlottesville as Tax Parcel 280112000, NHTE Piedmont Garrett Square LP having taken title to the real property by deed recorded in the office of the Clerk of Circuit Court of Charlottesville, Virginia in Deed Book 876 at Page 72, the real property being more particularly described by the following metes and bounds: beginning at a pk nail found along the west line of 6th Street, S.E. north of its intersection with Monticello Avenue, said point being the point of beginning, thence departing 6th Street, S.E. and with the northwest radial arc of its intersection with Monticello Avenue along a curve to the right, with a chord bearing north 85° 35' 39" east 49.68', having a radius of 30.00' and a length of 58.53' to a pk nail found; thence with the north line of Monticello Avenue the following courses: north 38° 30' 49" west 120.51' to an iron rod found; along a curve to the right, with a chord bearing north 30° 09' 56" west 127.22, having a radius of 438.12' and a length of 127.67' to a point; along a curve to the left, with a chord bearing north 30° 09' 56" west 176.00', having a radius of 606.12' and a length of 176.62' to a point; north 38° 30' 49" west 287.33' to an iron rod found; thence departing Monticello Avenue, and with the northeast radial arc of its intersection with 2nd Street, S.E. along a curve to the right, with a chord bearing north 09° 45' 15" west 28.87', having a radius of 30.00' and a length of 30.12' to an iron rod found; thence with the east line of 2nd Street, S.E. the following courses: north 19° 00' 20" east 361.37' to an iron rod found; north 19° 00' 20" east 100.00' to an iron rod found; thence departing 2nd Street, S.E., and with the southeast radial arc of its intersection with Garrett Street, along a curve to the right, with a chord bearing north 64° 55' 52" east 28.74', having a radius of 20.00' and a length of 32.06' to an iron rod found; thence with the south line of Garrett Street the following courses: south 69° 08' 27" east 164.46' to a pk nail found; along a curve to the right, with a chord bearing north 64° 29' 53" east 260.59', having a radius of 1608.89' and a length of 260.87' to a point; south 59° 51' 10" east 356.35' to a pk nail found; thence departing Garrett Street and with the southwest radial arc of its intersection with 6th Street, S.E., along a curve to the right, with a chord bearing south 13° 42' 28" east 28.84', having a radius of 20.00' and a length of 32.22' to an iron rod found; thence with the west line of 6th Street, S.E., the following courses: south 32° 26' 15" west 100.00' to a pk nail found; south 32° 26' 15" west 509.21' to an iron rod found; south 29° 42' 07" west 186.95' to the point of beginning, and containing 11.771 acres, more or less, as shown on a boundary survey exhibit by Timmons Group dated February 27, 2019.

H

Attorney's Opinion  
(MANDATORY)

**Klein Hornig** LLP  
COUNSELORS AT LAW

March 14, 2019

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

RE: 2019 Tax Credit Reservation Request

Name of Development: Friendship Court Phase 1  
Name of Owner: FC Phase 1 LLC

Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated March 14, 2019 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

Based upon the foregoing reviews and upon due investigation of such matters as it deems necessary in order to render this opinion, but without expressing any opinion as to either the reasonableness of the estimated or projected figures or the veracity or accuracy of the factual representations set forth in the Application, the undersigned is of the opinion that:

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The appropriate type(s) of allocation(s) have been requested in the Reservation Request Information section in the Application form.
4. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
5. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application, for a period of not less than four (4) months beyond the application deadline.




- 6. The type of the nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of low-income housing.
- 7. The nonprofit organizations' ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.

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

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

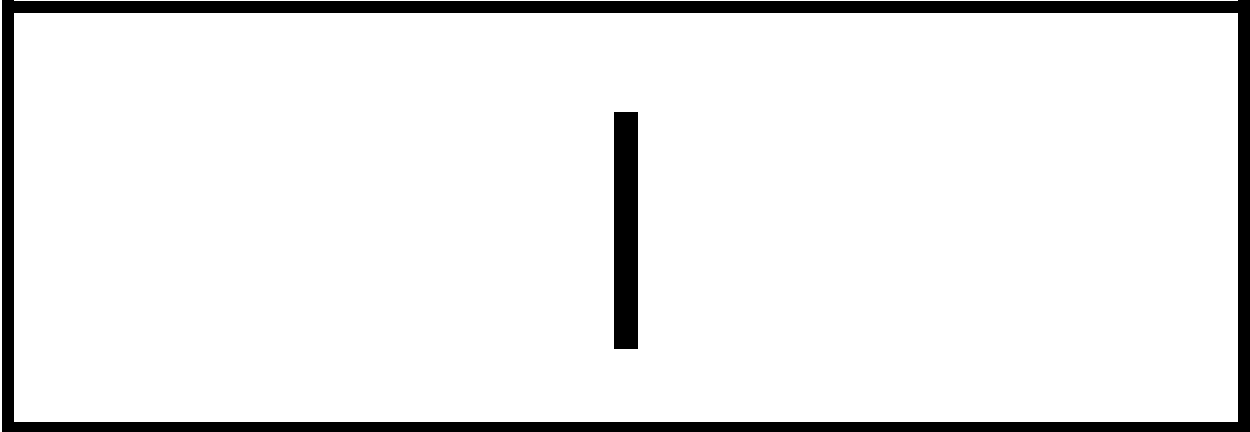
**This opinion was not prepared in accordance with the requirements of Treasury Department Circular No. 230. Accordingly, it may not be relied upon for the purpose of avoiding U.S. Federal tax penalties or to support the promotion or marketing of the transaction or matters addressed herein.**

Klein Hornig LLP  
Firm Name

By:   
Erik T. Hoffman

Its: Partner  
(Title)





# Nonprofit Questionnaire

(MANDATORY for points or pool)



# Non-profit Questionnaire

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

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

## 1. General Information

- a. Name of development: Friendship Court Phase 1
- b. Name of owner/applicant: FC Phase 1 LLC
- c. Name of non-profit entity: Piedmont Housing Alliance
- d. Address of principal place of business of non-profit entity:  
682 Berkmar Circle, Charlottesville, VA 22901

Indicate funding sources and amount used to pay for office space:  
Office space rent expense for FY17/18 approximately \$61,669 revenue indicates federal\_state\_local\_foundation and private funding.

- e. Tax exempt status:  501(c)(3)     501(c)(4)     501(a)
- f. Date of legal formation of non-profit (must be prior to application deadline); 6/24/83  
evidenced by the following documentation: State Corporation Commission Letter
- g. Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):  
5/17/17; original letter February 1985
- h. Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):  
"to combat community deterioration, lessen the burdens of government, and promote social welfare by the development and provision of new residential housing.; to build or cause to be built, and to rehabilitate or cause to be rehabilitated, housing units for persons of low income or moderate income..; and to rent or sell such units to persons or families in order to provide affordable housing."
- i. Expected life (in years) of non-profit:  
In perpetuity

## Non-profit Questionnaire, cont'd

- j. Explain the anticipated future activities of the non-profit over the next five years:  
Piedmont Housing Alliance's mission is to create housing opportunities and build community through education, lending, and development. Over the next five years, it will continue to build on its strong 30+ year track record of housing counselin services, community building, and high quality affordable housing project development and property management.
- k. How many full time, paid staff members does the non-profit and, if applicable, any other non-profit organization(s) ("related non-profit(s)") of which the non-profit is a subsidiary or to which the non-profit is otherwise related have (i.e. by shared directors, staff, etc.)?  
29 How many part time, paid staff members? 1
- Describe the duties of all staff members:  
Staff includes: Executive Director, Deputy Director, Chief Financial Officer and Accounting Manager, and Operations Administrator; Director of Housing Counseling & Economic Opportunity, Housing Counselors, Economic Opportunity Coordinator; Project Manager, Community Organizer, Community Center Coordinator, and Community Outreach Assistant; Regional Community Manager, Community Managers, Maintenance Supervisor and Maintenance Technicians; Director of Development (Fundraising), and Communications Manager.
- l. Does the non-profit share staff with any other entity besides a related non-profit described above?  
 Yes  No If yes, explain in detail: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- m. How many volunteers does the non-profit and, if applicable, any related non-profit have?  
25
- n. What are the sources and manner of funding of the non-profit? (You must disclose all financial and/ or the arrangements with any individual(s) or for profit entity, including anyone or any entity related, directly, indirectly, to the Owner of the Development Revenue includes federal, state and local government sources (HUD, DHCD, City of Charlottesville and Counties of Albemarle, Fluvanna and Louisa); VHDA, foundations, earned revenue, and corporate and individual donations.  
\_\_\_\_\_  
\_\_\_\_\_
- o. List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:  
Board members are listed on our website <https://piedmonthousingalliance.org/board-of-directors/>  
More information (addresses, length of service and bios) is available upon request.  
\_\_\_\_\_

## 2. Non-profit Formation

- a. Explain in detail the genesis of the formation of the non-profit:  
Formed in 1983 as Thomas Jefferson Housing Improvement Corporation, with subsequent name change to Piedmont Housing Alliance, the non-profit was established to address affordable housing and community development needs on a regional basis.  
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## Non-profit Questionnaire, cont'd

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

Yes  No If yes, explain in detail:

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

Yes  No If yes, explain:

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

Yes  No If yes, explain:

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

Yes  No, If yes, explain:

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

Yes  No

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

Piedmont Housing Alliance's past experience includes 5 LIHTC developments, with a property management portfolio of 10 properties with 454 apartments and an ownership interest in an 316 additional units.

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

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### 3. Non-profit Involvement



## Non-profit Questionnaire, cont'd

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

Yes  No

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

Yes  No

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

Yes  No

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

Piedmont Housing Alliance will be the managing member of FC Phase 1 LLC.

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

Exhibit A to the Operating Agreement of FC Phase 1 LLC

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

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

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

The signed Right of First Refusal Agreement in Tab V of the reservation application

Recordable agreement attached to the Tax Credit Application as TAB V

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

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

Yes  No If yes,

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

The non-profit manages all redevelopment efforts. The non-profit will manage the selected general contractor through construction. This will include: on-site supervision, regular Owner, Architect and Contractor progress meetings, negotiation and enforcement of the contractor to be within the budget and schedule guidelines and goals.

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

## Non-profit Questionnaire, cont'd

management of the Development throughout the Extended Use Period (the entire time period of occupancy restrictions of the low-income units in the Development): PHA and NHT Communities share ownership. PHA will provide lead asset management responsibilities with approval rights by NHT Communities to include approval of major decisions (e.g. approval of annual operating budget, major capital improvements, and reports to lenders, syndicators, auditors, public agencies, etc.)

- (iii) Will the non-profit invest in its overall interaction with the development more than 500 hours annually to this venture?  Yes  No If yes, subdivide the annual hours by activity and staff responsible and explain in detail:  
The non-profit will invest over 2,000 hours annually in this redevelopment. The staff will work approximately 500 hours on continued community engagement and outreach, 1,000 hours on the construction, design completion and regulatory approval of phase 1 and 500 hours on the financing and fundraising for the redevelopment.

- e. Explain how the idea for the proposed development was conceived. For example, was it in response to a need identified by a local neighborhood group? Local government? Board member? Housing needs study? Third party consultant? Other?  
In recognition of Charlottesville's significant shortage of affordable housing and our opportunities to redevelop, the proposed development was conceived in response to Board and staff vision, consultation with residents, City goals to increase production of affordable housing (Strategic Investment Area plan and housing needs study), planning with partner, design team and Advisory Committee. The Advisory Community, with majority resident members, has co-designed the redevelopment plan over the last 3 years.

- f. List all general partners/managing members of the Owner of the Development (one must be the non-profit) and the relative percentages of their interests:  
Piedmont Housing Alliance - 99.99% (initial limited partner)  
FC Phase 1 Managing Member LLC - .01% (owned jointly by Piedmont Housing Alliance and NHT Communities - each with 50%)

- g. If this is a joint venture, (i.e. the non-profit is not the sole general partner/managing member), explain the nature and extent of the joint venture partner's involvement in the construction or rehabilitation and operation or management of the proposed development.  
In 2003, NHT partnered with Piedmont Housing Alliance to acquire Friendship Court and preserve and rehab this critical affordable housing community. In 2017, these two partners reached agreement to again partner in the redevelopment. Moving forward, NHT and Piedmont Housing are 50/50 partners, with Piedmont as the managing partner.

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

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

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

## Non-profit Questionnaire, cont'd

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

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

Joseph Browne Development Associates is serving as a tax credit consultant. The JBDA fee will be paid out of the developer fee. The JBDA fee totals \$50,000. \$40,000 of the fee is paid prior to application submission and \$10,000 is paid upon reservation.

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

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

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

None

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

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## Non-profit Questionnaire, cont'd

### 4. Virginia and Community Activity

- a. Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia?  Yes  No
- b. Define the non-profit's geographic target area or population to be served:  
Thomas Jefferson Planning District (Region 10); City of Charlottesville and counties of Albemarle, Fluvanna, Greene, Louisa and Nelson.
- c. Does the non-profit or, if applicable, related non-profit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)?  
 Yes  No If yes, or no, explain nature, extent and duration of any service:  
Piedmont Housing Alliance has been based in and serving Charlottesville since 1983. It has an ownership interest in 316 units of affordable housing at 3 properties in close proximity to Friendship Court (total property management portfolio of more than 450 apartments at 10 communities). Our on-site services include resident leadership and community building, youth programs, financial and housing counseling.
- d. Does the non-profit's by laws or board resolutions provide a formal process for low income, program beneficiaries to advise the non-profit on design, location of sites, development and management of affordable housing?  Yes  No If yes, explain:  
Board-adopted process for public engagement, August 2015.
- e. Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the non-profit to solicit contributions/donations in the target community?  
 Yes  No
- f. Does the non-profit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?  
 Yes  No If yes, explain:  
Piedmont Housing Alliance has established financial support from the City of Charlottesville, VHDA, foundations and donors.
- g. Has the non-profit conducted any meetings with neighborhood, civic, or community groups and/or tenant associations to discuss the proposed development and solicit input?  Yes  No If yes, describe the meeting dates, meeting locations, number of attendees and general discussion points:  
Meetings have taken place monthly for the last few years at various locations. Meetings have included both the Friendship Court Advisory Committee Monthly meetings, Friendship Court Community Gatherings, Neighbor Association Meetings and Local Groups and individuals across the Charlottesville / Albemarle Community. specific Dates, times, and locations available upon request.
- h. Are at least 33% of the members of the board of directors representatives of the community being served?  Yes  No If yes,  
(i) low-income residents of the community?  Yes  No

## Non-profit Questionnaire, cont'd

- (ii) elected representatives of low-income neighborhood organizations?  Yes  No
- i. Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)?  Yes  No
- j. Does the board of directors hold regular meetings which are well attended and accessible to the target community?  Yes  No If yes, explain the meeting schedule:  
Piedmont Housing Alliance's Board of Directors meet every other month in a location within approximately 1 mile of Friendship Court.  
The 19 member Board of Directors includes two residents of Friendship Court.
- k. Has the non-profit received a Community Housing Development Organization (CHDO) designation, as defined by the U. S. Department of Housing and Urban Development's HOME regulations, from the state or a local participating jurisdiction?  Yes  No
- l. Has the non-profit been awarded state or local funds for the purpose of supporting overhead and operating expenses?  Yes  No If yes, explain in detail:  
Piedmont Housing Alliance receives annual operating support from the City of Charlottesville and Counties of Albemarle, Fluvanna and Louisa.
- m. Has the non-profit been formally designated by the local government as the principal community-based non-profit housing development organization for the selected target area?  Yes  No If yes, explain:  
Piedmont Housing Alliance is a locally designated Community Housing Development Organization (CHDO).  
The City of Charlottesville has recognized Piedmont Housing with annual funding for affordable housing development and management, and is the only organization regularly funded for rental housing development and management.
- n. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity?  Yes  No If yes, note each such application including: the development name and location, the date of application, the non-profit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).  
1. Lovington Ridge: Nelson County, VA 2012; right of first refusal and 10% ownership; HEGM Corporation 90%; contractor - WB Properties, management entity - GEM Management; funded.  
2. Lily Ridge: Greene County, VA 2013; right of first refusal and 10% ownership; HEGM Corporation and Surber Development 45% each; management entity - GEM Management; funded. 3. Carlton Views I Charlottesville, 2017; right of first refusal and 10% interest in GP.
- o. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member?  Yes  No If yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).  
Virnita Court Apartments, Charlottesville (2005)  
Monticello Vista Apartments, Charlottesville (2008)
- p. To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before?  Yes  No If yes, explain:  
Friendship Court was allocated 9% credits in 2002 to support the acquisition and a modest rehabilitation.

**Non-profit Questionnaire, cont'd**

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

Virrita Court Apartments, Charlottesville (2005); Monticello Vista Apartments, Charlottesville (2008); Crozet Meadows, Albemarle County (2008); Scottsville School Apartments, Albemarle County (2011)

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

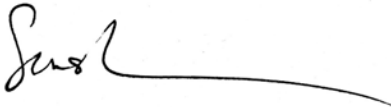
s. Has the non-profit completed a community plan that (1) outlines a comprehensive strategy for addressing identified community housing needs, (2) offers a detailed work plan and timeline for implementing the strategy, and (3) documents that the needs assessment and comprehensive strategy were developed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

**5. Attachments**

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

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

March 8, 2019  
Date

  
\_\_\_\_\_  
Owner/Applicant

By: Sunshine Mathon  
Its: Executive Director  
Title

March 7, 2019  
Date

Piedmont Housing Alliance  
Non-profit  
  
By: \_\_\_\_\_  
Board Chairman

**Non-profit Questionnaire, cont'd**

By:   
\_\_\_\_\_  
Executive Director



# Non-profit Questionnaire

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

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

## 1. General Information

- a. Name of development: Friendship Court Phase 1
- b. Name of owner/applicant: FC Phase 1 LLC
- c. Name of non-profit entity: NHT Communities
- d. Address of principal place of business of non-profit entity:  
1101 30th Street NW, Ste. 100A, Washington, DC 20007

Indicate funding sources and amount used to pay for office space:  
developer fees, consulting and service fees

- e. Tax exempt status:  501(c)(3)     501(c)(4)     501(a)
- f. Date of legal formation of non-profit (must be prior to application deadline); 6/23/1999  
evidenced by the following documentation:  
Articles of Incorporation and Certificate of Incorporation dated 6/23/1999. Organization recently changed its name to NHT Communities as reflected in Articles of Amendment dated 1/8/2019. All documents available upon request.
- g. Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):  
11/3/2003
- h. Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):  
Per the Third Article, NHT Communities shall "promote the long-term preservation of decent, safe and affordable housing for low income persons and families" and "may also seek to combat community deterioration and promote economic revitalization of distressed areas."
- i. Expected life (in years) of non-profit:  
Per the Second Article, NHT shall be organized in perpetuity.



## Non-profit Questionnaire, cont'd

- j. Explain the anticipated future activities of the non-profit over the next five years:  
NHTC anticipates to continue work in the affordable housing preservation and development space as well as expanding a new line of business constructing photo voltaic systems on affordable housing for the benefit of low income households. In addition to the Friendship Court redevelopment, NHTC currently has 3 projects under construction and 9 projects in the due diligence/application/financing phases.
- k. How many full time, paid staff members does the non-profit and, if applicable, any other non-profit organization(s) ("related non-profit(s)") of which the non-profit is a subsidiary or to which the non-profit is otherwise related have (i.e. by shared directors, staff, etc.)?  
30 How many part time, paid staff members? 0
- Describe the duties of all staff members:  
Staff of NHT includes Executive Team (President, Senior VP, COO, CFO), Policy Team (Federal and State policy directors, policy associate), Energy Solutions Team (Asst. VP, director, manager, and associates), Development Team (Vice President, Asst. VP/ project managers, asset management director and associate, & director of resident services), Lending Team (Director and analysts), Communications Team, and Finance/Admin Team (Controller, Asst to President & SVP, Accounting Specialist, HR Generalist).
- l. Does the non-profit share staff with any other entity besides a related non-profit described above?  
 Yes  No If yes, explain in detail: Yes, NHTC shares staff with National Housing Trust. NHTC staff is comprised of "Development Team" and "Energy Solutions Team" as described above. NHTC is supported by Executive Team, Communications Team, and Finance/Admin Team. Senior Vice President serves as senior executive of NHTC. President of NHT serves on NHTC board.
- m. How many volunteers does the non-profit and, if applicable, any related non-profit have?  
0-4 at any given time, not including boards of NHT Communities and National Housing Trust.
- n. What are the sources and manner of funding of the non-profit? (You must disclose all financial and/ or the arrangements with any individual(s) or for profit entity, including anyone or any entity related, directly, indirectly, to the Owner of the Development  
Revenue for NHTC includes development fees associated with housing development and solar development and cash flow from operations of affordable housing properties. Grants are used to support resident services, and, in some cases solar development. For more information, see attached financial statement.
- o. List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:  
Board of Directors for NHT Communities available upon request.

## 2. Non-profit Formation

- a. Explain in detail the genesis of the formation of the non-profit:  
NHT Communities was formed in 1999 by National Housing Trust (NHT) to focus on the preservation of expiring use affordable housing properties. NHT desired to have an affiliated development entity to put the Trust's policy efforts in to practice. This "think and do" approach has led to the preservation and expansion of affordable housing opportunities for communities across the country.

## Non-profit Questionnaire, cont'd

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

Yes  No If yes, explain in detail:

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

Yes  No If yes, explain:

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

Yes  No If yes, explain:

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

Yes  No, If yes, explain:

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

Yes  No

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

Since 1999, NHT Communities has preserved nearly 10,000 units of affordable housing in 15 states and the District of Columbia. Some of the early preservation work was completed through consulting or joint venture relationships with other affordable housing owners and developers, as well as the National Housing Trust. To date, NHT Communities owns more than 4,000 units of affordable housing.

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

The National Housing Trust was formed as a policy and advocacy organization and received its 501(c)(3) determination December 30, 1986. NHT's period of duration is perpetual. The mission of NHT is to conserve affordable housing to persons of low and moderate income. The President of NHT serves on the board of NHT Communities.

### 3. Non-profit Involvement

## Non-profit Questionnaire, cont'd

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

Yes  No

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

Yes  No

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

Yes  No

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

NHT Communities and Piedmont Housing Alliance will each own 50% of the general partnership interest of the tax credit partnership.

Piedmont Housing Alliance will be the executive manager of the general partner, providing day to day development oversight.

- b. (i) Will the non-profit be the managing member or managing general partner?

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

The managing member/managing general partner will be comprised of NHT Communities (50%) and Piedmont Housing Alliance (50%).

Thus, 100% of the GP will be owned by these two nonprofit organizations. PHA will be the executive manager of the GP.

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

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

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

The Right of First Refusal is attached as Tab V.

Recordable agreement attached to the Tax Credit Application as TAB V

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

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

Yes  No If yes,

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

NHT Communities and PHA are sharing duties across the development cycle. PHA will manage the construction phase, supervising the design and construction team. PHA will be the GP owner representative at all design and construction meetings.

NHT Communities will participate as needed.

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

## Non-profit Questionnaire, cont'd

management of the Development throughout the Extended Use Period (the entire time period of occupancy restrictions of the low-income units in the Development):  
NHT Communities and PHA jointly share ownership. PHA will provide lead asset management responsibilities with approval rights by NHT Communities to include approval of major decisions (e.g. approval of annual operating budget, major capital improvements, and reports to lenders, syndicators, auditors, public agencies, etc.).

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- (iii) Will the non-profit invest in its overall interaction with the development more than 500 hours annually to this venture?  Yes  No If yes, subdivide the annual hours by activity and staff responsible and explain in detail:  
NHT Communities will invest thousands of hours in all aspects of the development, but specifically will invest over 500 hours toward the financial structuring and closing of the development, including securing appropriate bifurcation approvals from HUD to the Project Based Rental Assistance contract.
- 

- e. Explain how the idea for the proposed development was conceived. For example, was it in response to a need identified by a local neighborhood group? Local government? Board member? Housing needs study? Third party consultant? Other?  
In recognition of Charlottesville's significant shortage of affordable housing and our opportunities to redevelop, the proposed development was conceived in response to Board and staff vision, consultation with residents, City goals to increase production of affordable housing (Strategic Investment Area plan and housing needs study), planning with partner, design team and Advisory Committee. The Advisory Community, with majority resident members, has co-designed the redevelopment plan over the last 3 years.
- 

- f. List all general partners/managing members of the Owner of the Development (one must be the non-profit) and the relative percentages of their interests:  
Piedmont Housing Alliance - 99.99% (initial limited partner)  
FC Phase 1 Managing Member LLC - .01% (owned jointly by Piedmont Housing Alliance and NHT Communities - each with 50%)
- 

- g. If this is a joint venture, (i.e. the non-profit is not the sole general partner/managing member), explain the nature and extent of the joint venture partner's involvement in the construction or rehabilitation and operation or management of the proposed development.  
In 2003, NHT Communities (then known as NHT-Enterprise Preservation Corporation) partnered with Piedmont Housing Alliance to acquire Friendship Court and preserve and rehab this critical affordable housing community. In 2017, these two partners reached agreement to again partner in the redevelopment. Moving forward, NHT and Piedmont Housing are 50/50 partners, with Piedmont as the managing partner.
- 

- h. Is a for profit entity providing development services (excluding architectural, engineering, legal, and accounting services) to the proposed development?  Yes  No If yes, (i) explain the nature and extent of the consultant's involvement in the construction or rehabilitation and operation or management of the proposed development.
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- (ii) Explain how this relationship was established. For example, did the non-profit solicit proposals from several for-profits? Did the for-profit contact the non-profit and offer the services?
- 

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

## Non-profit Questionnaire, cont'd

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

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

Joseph Browne Development Associates is serving as a tax credit consultant. The JBDA fee will be paid out of the developer fee.  
The JBDA fee totals \$50,000. \$40,000 of the fee is paid prior to application submission and \$10,000 is paid upon reservation.

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

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

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

None

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

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## Non-profit Questionnaire, cont'd

### 4. Virginia and Community Activity

- a. Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia?  Yes  No
- b. Define the non-profit's geographic target area or population to be served:  
NHT Communities is national in scope but has a current footprint of owned and developed projects as follows: District of Columbia, Virginia, Maryland, Pennsylvania, Connecticut, South Carolina, Georgia, Illinois, Iowa, Ohio, Minnesota, Tennessee, and Florida
- c. Does the non-profit or, if applicable, related non-profit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)?  
 Yes  No If yes, or no, explain nature, extent and duration of any service:  
NHT Communities has owned and asset managed Friendship Court since 2002. With respect to resident services and community engagement related to this project, PHA has taken the lead.
- d. Does the non-profit's by laws or board resolutions provide a formal process for low income, program beneficiaries to advise the non-profit on design, location of sites, development and management of affordable housing?  Yes  No If yes, explain:  
The NHT Communities by-laws allow for the formation of advisory boards. As PHA led the community engagement for the redevelopment of Friendship Court the PHA board adopted community engagement guidelines and processes in August 2015.
- e. Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the non-profit to solicit contributions/donations in the target community?  
 Yes  No
- f. Does the non-profit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?  
 Yes  No If yes, explain:  
Yes, NHT Communities secured critical local philanthropic support of over \$1 million for the initial preservation of Friendship Court.
- g. Has the non-profit conducted any meetings with neighborhood, civic, or community groups and/or tenant associations to discuss the proposed development and solicit input?  Yes  No If yes, describe the meeting dates, meeting locations, number of attendees and general discussion points:  
PHA-led meetings have taken place monthly for the last few years at various locations. Meetings have included both the Friendship Court Advisory Committee Monthly meetings, Friendship Court Community Gatherings, Neighbor Association Meetings and Local Groups and individuals across the Charlottesville / Albemarle Community. specific Dates, times, and locations available upon request.
- h. Are at least 33% of the members of the board of directors representatives of the community being served?  Yes  No If yes,  
(i) low-income residents of the community?  Yes  No

## Non-profit Questionnaire, cont'd

- (ii) elected representatives of low-income neighborhood organizations?  Yes  No
- i. Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)?  Yes  No
- j. Does the board of directors hold regular meetings which are well attended and accessible to the target community?  Yes  No If yes, explain the meeting schedule:  
The board of NHT Communities meets 4-5 times per year (or as needed) and held by teleconference.  

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

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- m. Has the non-profit been formally designated by the local government as the principal community-based non-profit housing development organization for the selected target area?  Yes  No If yes, explain:  
NHT Communities has not but PHA is a locally designated CHDO and receives regular support from City of Charlottesville.  

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- n. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity?  Yes  No If yes, note each such application including: the development name and location, the date of application, the non-profit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).  
Details of these joint venture projects are proprietary. This information can be provided directly to VHDA upon request.  

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- o. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member?  Yes  No If yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).  
BELTON WOODS, Anderson, SC; 8/2/2001; funded; in operation. HAZEL HILL, Fredericksburg, VA; 9/17/2004; funded; in operation.  
ST. DENNIS APARTMENTS, Washington, D.C.; 6/3/2010; funded; in operation. MONSENOR ROMERO, Washington, D.C.;  
5/30/12; funded; in operation. MASS PLACE APARTMENTS, Washington, D.C.; 1/4/2017; funded; in operation.  

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- p. To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before?  Yes  No If yes, explain:  
Friendship Court was allocated 9% credits in 2002 to support the acquisition and a modest rehabilitation.  

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**Non-profit Questionnaire, cont'd**

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

Yes, NHT Communities has received tax credit allocations for:

Friendship Court, Hazel Hill, Buckingham Gardens (parcel A), Buckingham Village (parcel B)

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

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

**5. Attachments**

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

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

3/13/19  
Date

FC Phase 1 LLC  
Owner/Applicant

By: [Signature]  
Its: Co-managing Member of Managing Member  
Title

3/13/19  
Date

NHT Communities  
Non-profit

By: [Signature]  
Board Chairman



Non-profit Questionnaire, cont'd

By:

  
Executive Director

J

# Relocation Plan

(MANDATORY, if tenants are displaced)

## J. RELOCATION PLAN

A key principle in this redevelopment is that there will be no tenant displacement, even temporary. The proposed new construction will be on an undeveloped portion of the parcel.

The existing Friendship Court Apartments property will provide and pay for the relocation of the 46 families or individuals moving in Phase 1. These families or individuals are currently residents of Friendship Court and will be relocated upon completion of Phase 1 into their new homes also located at the site currently known as Friendship Court.

K

Documentation of  
Development Location:

**K.1**

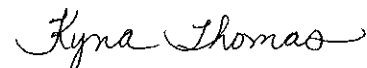
Revitalization Area  
Certification

## **RESOLUTION**

### **Revitalization Area Certification for Friendship Court Parcel Number: 280112000**

**BE IT RESOLVED** by the Council of the City of Charlottesville, Virginia that Friendship Court is located within a Revitalization Area, defined by the Virginia Housing Development Authority as any area that 1) 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 2) 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.

Approved by Council  
February 4, 2019



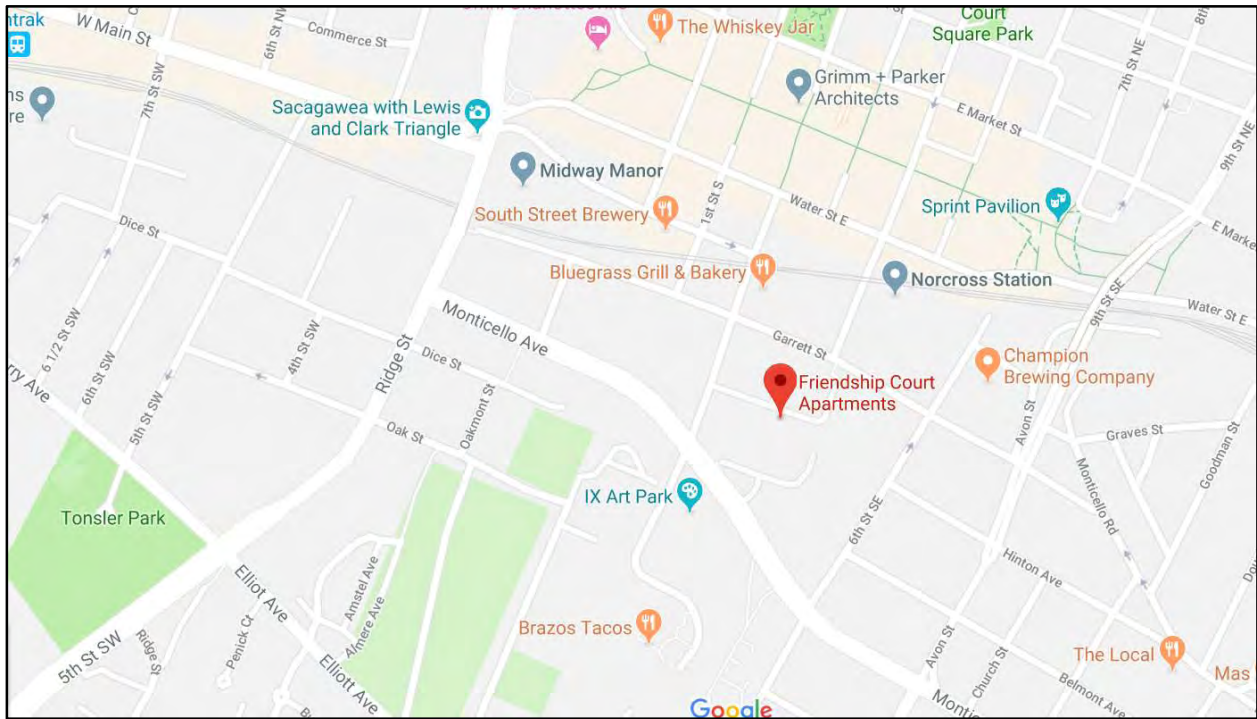
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Kyna Thomas  
Clerk of Council

K.2

Location Map

Friendship Court Phase 1  
TAB K.2  
LOCATION MAP  
6<sup>th</sup> Street between Garrett St. and Monticello Ave.  
Charlottesville VA 22902





K.3

Surveyor's Certification of  
Proximity to Public  
Transportation

February 15, 2019

**Surveyor's Certification of Proximity to Transportation**

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

RE: 2019 Tax Credit Reservation Request

Name of Development: Friendship Court Phase 1

Name of Owner: FC Phase 1 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 ½ mile of the nearest access point to an existing commuter rail, light rail or subway station; or
- 1,320 feet or ¼ mile of the nearest access point to an existing public bus stop.



Timmons Group

Firm Name

By: C. Shifflett  
CLINT SHIFFLETT, P.E.

Its: PROJECT MANAGER  
Title

2019



L

PHA/Section 8 Notification  
Letter

## **Tab 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 project based Section 8 or project based vouchers.
2. This PHA or Section 8 Notification letter must be included with the application.
3. 'Development Address' should correspond to I.A.2 on page 1 of the Application.
4. 'Proposed Improvements' should correspond with I.B & D and III.A of the Application.
5. 'Proposed Rents' should correspond with VII.C of the Application.
6. 'Other Descriptive Information' should correspond with information in the application.

**NOTE:** Any change to this form letter may result in a reduction of points under the scoring system.

# PHA or Section 8 Notification Letter

**DATE:** February 26, 2019

**TO:** Charlottesville Redevelopment and Housing Authority  
500 S 1st Street  
Charlottesville, VA 22902

**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 the Virginia Housing Development Authority (VHDA). We expect to make a representation in that application that we will give leasing preference to households on the local PHA or Section 8 waiting list. Units are expected to be completed and available for occupancy beginning on \_\_\_\_\_ (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

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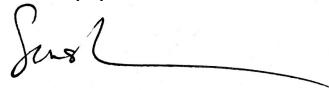
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We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at (434)817-0661.

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

Sincerely yours,



\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

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

Seen and Acknowledged By:  \_\_\_\_\_

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

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Date: \_\_\_\_\_

M

Locality CEO Response  
Letter



CITY OF CHARLOTTESVILLE

"To be One Community Filled with Opportunity"



Office of The City Manager

P.O. Box 911 • Charlottesville, Virginia 22902

Telephone 434-970-3101

Fax 434-970-3890

www.charlottesville.org

Locality CEO Letter

2/11/19

Date

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

VHDA Tracking Number:	<u>2019-C-90</u>
Development Name:	<u>Friendship Court Phase 1</u>
Name of Owner/Applicant:	<u>FC Phase 1 LLC</u>

Dear Mr. Bondurant:

The construction or rehabilitation of the above-named development and the allocation of federal housing tax credits available under IRC Section 42 for said development will help to meet the housing needs and priorities of the City of Charlottesville. Accordingly, the City of Charlottesville supports the allocation of federal housing tax credits requested by FC Phase 1 LLC for this development.

Yours truly,

Signature  
Michael Murphy

[CEO Name]  
Interim City Manager, City of Charlottesville

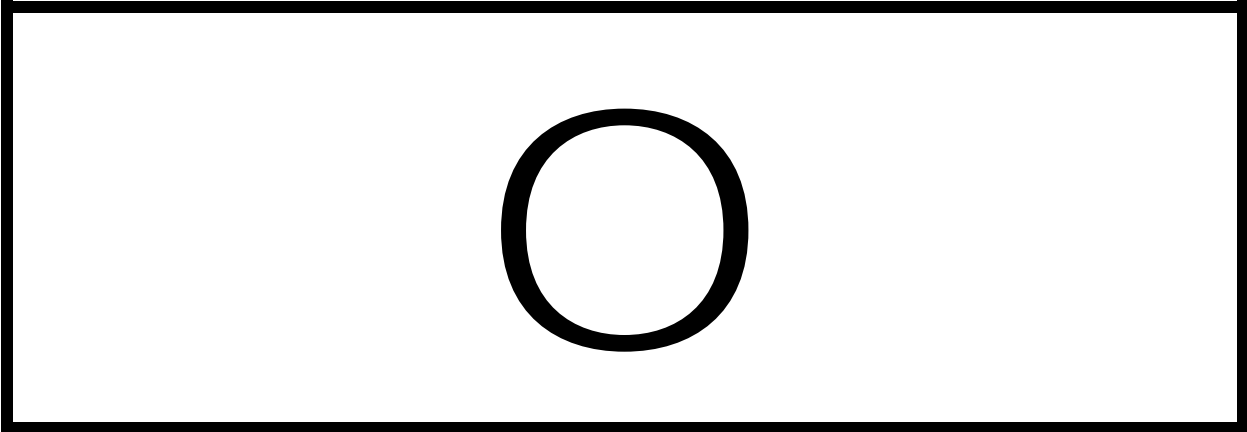
[Title]

**N**

Homeownership Plan

## N. HOMEOWNERSHIP PLAN

Not applicable for this proposed development.



O

Plan of Development  
Certification Letter

## O. PLAN OF DEVELOPMENT CERTIFICATION LETTER

As the applicants are receiving 50 points for the Developer Experience section, this tab is not applicable for this application.

P

Copies of 8609s to  
Certify Developer  
Experience and  
Partnership agreements

## VHDA Experienced LIHTC Developers

### Notes:

Updated:

3/7/2019

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

I Listed if documentation supported at least 6 LIHTC developments

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

See LIHTC Manual for instructions on being added to this list

### INDIVIDUALS

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

### NON-PROFITS, LHAs & (PUBLICLY TRADED) CORPORATIONS

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

Q

Documentation of Rental  
Assistance





U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
Multifamily Northeast Region  
Baltimore Satellite Office  
Bank of America Building, Tower II  
100 South Charles Street, Suite 500  
Baltimore, MD 21201

June 14, 2018

Piedmont Housing Alliance  
682 Berkmar Circle  
Charlottesville, Virginia 22901  
Attention: Sunshine Mathon, Chief Executive Officer

National Housing Trust - Enterprise Preservation Corporation  
1101 30th Street NW, Suite 100A  
Washington, DC 20007  
Attention: Scott Kline, Senior Vice President

SUBJECT: Friendship Court, Charlottesville, Virginia  
HAP Contract#: VA36H027-021  
Bifurcation of HAP Contract

Dear Mr. Mathon and Mr. Kline:

We received a memorandum from your legal counsel, Klein Hornig LLP, requesting guidance on the requirements for the bifurcation and assignment of the above-referenced Housing Assistance Payments contract (the “**HAP Contract**”) in connection with the redevelopment of Friendship Court Apartments located in Charlottesville, Virginia.

Friendship Court is currently owned by NHTE Piedmont Garrett Square LP, of which a joint venture of Piedmont Housing Alliance and the National Housing Trust-Enterprise Preservation Corporation (the “**Developers**”) is the general partner.

### **Background**

Friendship Court is an affordable housing development located on an 11.75-acre parcel in the heart of Charlottesville, Virginia, in an area targeted by the City for investment and redevelopment. The property was first developed in 1978 and is home to 150 low-income families, all receiving Section 8 rental assistance under an existing HAP contract. The site is designed as an inward focused “superblock” typical of 1970’s era public housing development. The current design isolates the site from the surrounding neighborhoods while the 100% low-income unit mix creates an island of poverty just outside of the downtown core.

## **Redevelopment Plan**

Based on the memorandum we received from your counsel, we understand that you are planning to redevelop Friendship Court as mixed-income housing in a mixed-use community, retaining all 150 units of Section 8-assisted housing, while adding additional affordable housing, and a complement of market-rate housing, all on the existing site. We understand that you have committed to the residents and to the City of Charlottesville to redevelop the site without displacing any of the residents at Friendship Court using a “build first” approach.

This means that the redevelopment plan must be carried out in a prescribed sequence through each of four phases. Each phase will consist of the following: (1) building first on open space on the existing site, (2) moving families into those new buildings, and then (3) demolishing the vacated buildings to make room for more new buildings. The redevelopment will be carried out in four phases (each, a “**Phase**”) over a seven to ten-year period, with each phase undertaken by a separate affiliate of the developers (each such affiliate, a “**Phase Owner**”). Each Phase will be separately financed with low income housing tax credit equity and new debt financing and each Phase Owner will be a separate special purpose entity controlled by the Developers. All of the existing HAP units will remain on-site after completion of the redevelopment.

Separate applications for Low Income Housing Tax Credits (LIHTC) will be submitted for each Phase. The application for LIHTCs for the first Phase is expected to be submitted March 2019 for forty of the Section 8 units plus approximately 30 additional affordable units and 30 market rate units and new construction is expected to start Spring 2020 and be completed in 2021 (3 subsequent Phases will follow).

## **Anticipated HUD Approvals**

Based on your counsel’s memorandum, we understand that completion of the redevelopment will require HUD’s approval of the following actions:

1. Prior to closing on each Phase, the HAP Contract will be bifurcated into separate contracts so that a distinct portion of the HAP Contract can be assigned to the applicable Phase Owner as the replacement housing is constructed. The mix of unit sizes covered by the HAP contract will not change as a result of the bifurcation.
2. Prior to closing on each Phase, the applicable portion of the bifurcated HAP contract will be terminated and renewed under Option 1B and Chapter 15 of the Section 8 Renewal Guide, with “post-rehab” rents to be effective upon completion of construction.
3. Each newly created HAP contract will be assigned to the applicable Phase Owner upon completion of construction of the applicable Phase.

The Developers must request HUD’s approval for these actions as the redevelopment progresses and HUD’s approval will be conditioned on processing of the bifurcation, assignment, and renewal in accordance with HUD’s Section 8 Renewal Policy Guide and then-current guidelines related to the Assignment, Assumption and Amendment of HAP contracts, including, but not limited to, the Previous Participation process and HUD’s Determinative Criteria review. At the same time, we understand that in order to move forward with planning for the redevelopment, you need HUD’s guidance on the two critical issues, which will determine whether the redevelopment plan is feasible.

## Critical Issues

1) Your counsel requested confirmation that the bifurcation and assignment of the HAP contract described above will not require a reduction in the total number of units covered by the HAP contract. This assurance is critical because you have promised the existing residents and the City that there will be no reduction in the number of HAP-assisted units as a result of the redevelopment.

Provided that the mix of unit sizes covered by the HAP contract does not change, and that all units remain on the project's existing site, as you have represented, then HUD can confirm that it is possible to preserve all 150 units on-site.

2) Your counsel requested confirmation that, provided the Developers demonstrate that the mark-up-to-market renewal of the applicable portion of the bifurcated HAP under Option 1B and Chapter 15, and the subsequent assignment to the applicable Phase Owner meets all applicable HUD requirements, HUD will be able to approve the mark-up-to-market renewal prior to closing on the applicable Phase, and will provide a forward commitment to assign the applicable bifurcated portion of the HAP contract to the applicable Phase Owner upon completion of construction. This assurance is critical because lenders and investors will not finance a HAP-assisted project unless they have assurances that the HAP contract will be provided and as to what contract rents will be available to the owner following construction completion. However, funding of HAP contracts is dependent upon Congressional appropriations.

Provided that the Developers submit a timely request on behalf of the current owner for a mark-up-to-market renewal of the new HAP contract that meets the applicable requirements of Option 1B and Chapter 15 of the Section 8 Renewal Guide, HUD will approve a mark-up-to-market Renewal Contract with the current owner, with as-is market rents, and "post-rehab" market rents to be effective upon completion of the new Phase units.

Provided that the Developers submit a timely request demonstrating compliance with all of HUD's then current guidelines related to the Assignment, Assumption and Amendment of HAP contracts, including, but not limited to, the Previous Participation process and HUD's Determinative Criteria review, HUD may provide a forward commitment to assign the new HAP contract to the applicable Phase Owner upon completion of construction of the applicable Phase and receipt of evidence that the new units meet HUD's physical occupancy standards. If the forward commitment will be necessary for this transaction, it will be in substantially the form attached as **Exhibit A** to this letter.

We hope that this letter assists you with your planning of the proposed redevelopment. We look forward to reviewing further submissions as the redevelopment moves forward. Should you have any further questions, please feel free to contact Kimyetta Meekins at [kimyetta.k.meekins@hud.gov](mailto:kimyetta.k.meekins@hud.gov) or at (410) 209-6597.

Sincerely,



Digitally signed by: Brenda J. Brown  
DN: CN = Brenda J. Brown email = brenda.j.  
brown@hud.gov C = US O = U. S.  
Department of Housing and Urban  
Development OU = HUD  
Date: 2018.06.14 15:03:00 -05'00'

Brenda Brown, Director  
Asset Management Division  
Baltimore Satellite Office

Attachments

**ASSIGNMENT, ASSUMPTION AND AMENDMENT AGREEMENT  
SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACT  
(UNINSURED PROJECT)**

THIS ASSIGNMENT, ASSUMPTION AND AMENDMENT AGREEMENT SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACT (herein called the "Agreement") is made this 12 day of March, 2019, by the United States of America, acting through the U.S. Department of Housing and Urban Development (herein called "the Contract Administrator"), NHTE Piedmont Garrett Square Limited Partnership, Virginia limited partnership (herein called "the Seller"), and FC Phase 1 LLC, a Virginia limited liability company (herein called "the Buyer").

**WHEREAS**, the Contract Administrator and Seller, pursuant to Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437(f), entered into a Section 8 Housing Assistance Payments Contract (herein called the "HAP Contract") identified as HAP Contract Number VA36H027021 for units in Friendship Court (herein called "the Property"), a copy of which is attached hereto as "Exhibit A";

**WHEREAS**, the Seller and Buyer, entered into an Option to Lease, dated [March 12, 2019] wherein the Seller and Buyer agree to enter into a long-term lease agreement for Buyer's ground lease of the Property from Seller, including, without limitation, the improvements situated thereon, and Buyer has agreed to accept the assignment of and assume all obligations under the HAP Contract;

**WHEREAS**, the Buyer shall submit to the Secretary of HUD (herein called "the Secretary") an Application and documents in support thereof (herein collectively referred to as the "Application") requesting, and this Agreement shall be conditioned upon, the Secretary's approval of the proposed assignment of the HAP Contract to the Buyer in connection with the aforesaid Option to Lease; and

**WHEREAS**, the Seller and the Buyer mutually desire to assign the HAP Contract; and it is necessary to and the Contract Administrator and the Buyer mutually desire to amend the HAP Contract to allow for physical inspections in accordance with 24 CFR Part 5, Subpart G and require financial reporting in accordance with 24 CFR Part 5, Subpart H.

**NOW, THEREFORE**, in consideration of the foregoing, the sum of Ten Dollars (\$10.00) in hand paid and other good consideration, the receipt of which is hereby acknowledged, and in order to comply with the requirements of the Secretary, the National Housing Act of 1937, and the regulations adopted pursuant thereto, the parties hereto agree as follows:

1. The Seller hereby irrevocably assigns the HAP Contract to the Buyer together with all rights and obligations in and under said HAP Contract, conditioned upon the approval of the Application.
2. Effective as of the date of this Agreement, and conditioned upon the approval of the Application, the Buyer agrees to assume and to be bound by said HAP Contract as modified herein, and is responsible for filing the Annual Financial Statement ("AFS") from the date of this Agreement through the end of the Buyer's fiscal year.
3. Effective as of the date of this Agreement, the Seller is released from any future obligations under the HAP Contract, excepting that the Seller shall remain responsible for filing the AFS through the day before this Agreement if said HAP Contract includes an AFS filing requirement. Nothing in this Agreement shall waive, compromise, impair, or prejudice any right HUD may

have against the Seller for any violation of the HAP Contract that may have occurred prior to the date of this Agreement.

4. Part II of the HAP Contract shall be amended as follows to include the following provisions:

**Physical Conditions Standards and Inspection Requirements.** The Owner shall comply with the Physical Condition Standards and Inspection Requirements of 24 CFR Part 5, Subpart G, including any changes in the regulation and related Directives. In addition, the Owner shall comply with HUD's Physical Condition Standards of Multifamily Properties of 24 CFR Part 200, Subpart P, including any changes in the regulation and related Directives. This obligation shall apply both during the current term of the HAP contract and during each successive renewal term.

**Financial Reporting Standards.** The Owner shall comply with the Uniform Financial Reporting Standards of 24 CFR Part 5, Subpart H, including any changes in the regulation and related Directives. This obligation shall apply during the current term of the HAP contract and for each successive renewal term.

5. This Agreement shall be construed under the laws of the State of Virginia and to the extent inconsistent with the laws of the State of Virginia, the laws of the United States of America. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.
6. This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.
7. The Secretary, by the signature of his authorized representative below, consents to assignment made hereby. Said consent shall be void ab initio if the Secretary determines that Buyer, or any principal or interested party of the Buyer, is debarred, suspended or subject to a limited denial of participation under 24 CFR Part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

**NOTHING** in this Agreement shall in anyway impair the HAP Contract or alter, waive, annul, vary or affect any provision, condition, covenant therein, except as herein specifically provided, or affect or impair any rights, powers, or remedies under the HAP Contract, it being the intent of the parties hereto that the terms and conditions of the HAP Contract shall continue in full force and effect except as amended hereby.

IN WITNESS WHEREOF, the Seller, the Buyer and the Contract Administrator have caused this Agreement to be executed.

**SELLER:**

**NHTE PIEDMONT GARRETT SQUARE LIMITED PARTNERSHIP**  
a Virginia limited partnership

BY: NHTE Piedmont Garret Square – I, L.L.C.,  
a Virginia limited liability company,  
its general partner

By:

  
Kevin B.W. White, Manager

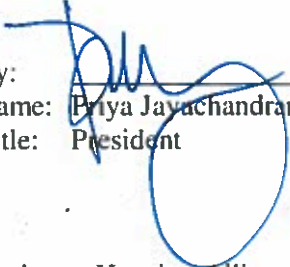
*[Signatures Continue on Following Pages]*

**BUYER:**

**FC PHASE 1 LLC,**  
a Virginia limited liability company

**BY: FC PHASE 1 MANAGING MEMBER LLC,**  
a Virginia limited liability company,  
its Managing Member

**BY: NHT Communities,**  
a District of Columbia nonprofit corporation,  
its Co-Managing Member

By:   
Name: Priya Jayachandran  
Title: President

AND

**BY: Piedmont Housing Alliance,**  
a Virginia nonstock corporation,  
its Co-Managing Member

By:   
Name: Sunshine Mathon  
Title: Executive Director

*[Signatures Continue on Following Page]*

**CONTRACT ADMINISTRATOR (HUD or PHA):** \_\_\_\_\_

**U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_



**Exhibit A**

**HAP Contract**

NOTIFICATION OF SECTION 8 CONTRACT RENTS AND FUNDING

FOR (Check one):

- Initial Renewal       Subsequent Renewal  
 Amend Rent/BA Only       Short-Term Renewal

Section 8 Contract No. VA36HD27021 Expires on 8/30/2038

Owner Name: NHTE PIEDMONT GARRETT SQUARE LP

Project Name: FRIENDSHIP COURT

Project Location: 418 GARRETT STREET, CHARLOTTESVILLE, VA 22902

FHA Project No.: N/A

IDENTIFICATION OF UNITS ("CONTRACT UNITS") BY SIZE  
AND APPLICABLE CONTRACT RENTS

Rent Effective Date

(If blank then no change in rents.)

No. of Units	No. of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
80	2 BR	1,100	95	1,195
16	3 BR	1,325	149	1,474
38	3 BR-TH	1,325	153	1,478
16	4 BR-TH	1,375	197	1,572

FUNDING

BUDGET AUTHORITY INCREASE: \$ 659,858

Contract/Renewal Effective Date 9/1/2018 Expiration Date 8/30/2038

For HUD Use Only:

Notice to Owner executed by:  
HUD or CONTRACT ADMINISTRATOR

By: Brenda J. Brown

Digitally signed by Brenda J. Brown  
 DN: CN = Brenda J. Brown email = brenda.j.brown@hud.gov C = US O = U S Department of Housing and Urban Development OU = HUD  
 Date: 2018.08.02 09:35:37 -05'00'

\_\_\_\_\_ (Signature)  
 \_\_\_\_\_ (Printed Name)  
 \_\_\_\_\_ (Official Title)  
 \_\_\_\_\_ (Date)

# Rent Schedule Low Rent Housing

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

OAH Approval No. 2502-0012  
(exp. 11/30/2020)

See page 3 for Instructions, Public Burden Statement and Privacy Act Requirements

Project Name:

PHAF No.:

Case No.:

Frenchship Court

VA35-HO27-21

10/1/2020

## Part A - Apartment Rents

Show the actual rents you are charging for each of the total of 150 units. Do not include Maximum Allowable Rents, Rent Potential

Col 1 Unit Type (Include Non-revenue Producing Units)	Col 2 Number of Units	Col 4 Monthly Contract Rent Potential (Col 2 x Col 3)		Col 5 Unit Area/sq ft (Effective Date mm/dd/yyyy) 09/01/2018	Col 6 Gross Rent (Col 2 x Col 5)	Market Rents (See 235 Projects Only)	
		Col 3 Rent Per Unit	Col 4 Contract Rent Potential (Col 2 x Col 3)			Col 7 Rent Per Unit	Col 8 Monthly Market Rent Potential (Col 2 x Col 7)
2 Bedroom	80	1,100	88,000	95	1,195		0
3 Bedroom	15	1,325	21,200	149	1,474		0
3 Bedroom TH	35	1,325	50,350	153	1,478		0
4 Bedroom	15	1,375	22,000	197	1,572		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
<b>Total Units</b>	<b>150</b>	<b>Monthly Contract Rent Potential (Add Col 4)</b>				<b>Monthly Market Rent Potential (Add Col 8)</b>	
			<b>\$181,550</b>				<b>50</b>
		<b>Yearly Contract Rent Potential (Col 4 Sum x 12)</b>				<b>Yearly Market Rent Potential (Col 8 Sum x 12)</b>	
			<b>\$2,178,600</b>				<b>50</b>

\* These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 235 Projects.

## Part B - Items Included in Rent

Equipment/Furnishings in Unit (Check those included in rent)

- Range  
 Refrigerator  
 Air Conditioner  
 Disposal  
 Dishwasher  
 Carpet  
 Drapes  
 Blinds

Utilities (Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item)  
E=electric; G=gas; F=fuel oil or coal.

- Heating E  
 Cooling E  
 Hot Water E  
 Cooking E  
 Lights, etc. E

Services/Facilities (check those included in rent)

- Parking  
 Laundry  
 Swimming Pool  
 Tennis Courts  
 Nursing Care  
 Linen Maid Service

## Part C - Charges in Addition to Rent (e.g., parking, cable TV, meals)

Purpose	Monthly Charge
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	0

## Part D - Non-Revenue Producing Space

Col 1 Use	Col 2 Unit Type	Col 3 Contract Rent
<b>Total Rent Loss Due to Non-Revenue Units</b>		<b>\$ 0</b>

## Part E - Commercial Space (retail, offices, garages, etc.)

Col 1 Use	Col 2 Monthly Rent Potential	Col 3 Square Footage	Col 4 Rent Rate Per Sq Ft (Col 2 divided by Col 3)
<b>Total Commercial Rent Potential</b>			

## Part F - Maximum Allowable Rent Potential

Enter Maximum Allowable Monthly Rent Potential From Rent Computation Worksheet (to be completed by HUD or lender) **\$ 181,550**

Part G - Information on Mortgagor Entity

Name of Entity:

NHTE Piedmont Garrett Square LP

Type of Entity:

Sole Proprietorship
 General Partnership
 Joint Tenancy
 Trust
 Limited Partnership
 Limited Partnership

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use either address listed on the mortgage or the address of the principal.
• Corporation: list (1) all officers, (2) all directors, and (3) each stockholder owning a 10% or more interest.
• Partnership: list (1) all general partners, and (2) limited partners having a 25% or more interest in the partnership.
• Trust: list (1) all trustees, directors or trustees and (2) each beneficiary, naming at least a 25% beneficiary interest in the trust.

NHTE Piedmont Garrett Square LLC, General Partner

The Housing Outreach Fund IX LP, Limited Partner

Name and Title:

Name and Title:

Name and Title:

Name and Title:

Name and Title:

Name and Title:

Name and Title:

Name and Title:

Name and Title:

Part H - Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompanying here-with, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and civil penalties (18 U.S.C. 1001, 1010, 1012, 31 U.S.C. 3729, 3802).

Name and Title:
NHTE Piedmont Garrett Square LP
By: NHTE Piedmont Garrett Square LLC, GP
By: Scott Kline, Its Manager

Signature: [Handwritten Signature]

Date: 07/16/2018

Part I - HUD/Lender Approval

Addendum Number:

Signature: [Handwritten Signature]

Date: 7/23/18

HAP Contract Number: VA36-H027-021

Exhibit Number:

Signature: [Handwritten Signature]

Loan Servicer Signature:

[Handwritten Signature] 7/24/2018

Date: 7/24/2018

U.S. Department of Housing and Urban Development  
Office of Housing

**PROJECT-BASED SECTION 8**

**HOUSING ASSISTANCE PAYMENTS  
RENEWAL CONTRACT  
FOR MARK-UP-TO-MARKET PROJECT**

OMB Control #2502-0587

"Public reporting burden for this collection of information is estimated to average 1 hour. This includes the time for collecting, reviewing, and reporting the data. The information is being collected for obtaining a signature on legally binding documents and will be used to enforce contractual obligations. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it has a currently valid OMB control number. No confidentiality is assured."

**PREPARATION OF CONTRACT**

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Renewal Contract. The instructions are not part of the Renewal Contract.

DUNS # 364228440

1

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**RENEWAL HAP CONTRACT  
FOR SECTION 8 MARK-UP-TO-MARKET PROJECT<sup>1</sup>**

**1 CONTRACT INFORMATION<sup>2</sup>**

**PROJECT**

**Section 8 Project Number:** VA36H027021

**Section 8 Project Number of Expiring Contract:** VA36H027021

**FHA Project Number (if applicable):** \_\_\_\_\_

**Project Name:** Friendship Court

**Project Description:<sup>3</sup>**

418 Garrett Street, Charlottesville, Virginia 22902-5664

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Check this box if the project is a Section 236 project or a Section 221(d)(3) below market interest rate (BMIR) project at the beginning of the Renewal Contract term.

**PARTIES TO RENEWAL CONTRACT**

**Name of Contract Administrator<sup>4</sup>**  
U.S. Department of Housing & Urban Development (HUD)

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**Name of Owner**

NHTE Piedmont Garrett Square Limited Partnership

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**2 TERM AND FUNDING OF RENEWAL CONTRACT**

- a The Renewal Contract begins on Sept. 1, 2018<sup>5</sup> and shall run for a period of 20<sup>6</sup> years.
- b Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of \$ 659,858<sup>7</sup>, an amount sufficient to provide housing assistance payments for approximately 3<sup>8</sup> months of the first annual increment of the Renewal Contract term.
- c HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

**3 RENEWAL CONTRACT**
**a Parties**

- (1) This contract ("Renewal Contract") is a housing assistance payments contract ("HAP contract") between the contract administrator and the owner of the housing.
- (2) If HUD is the contract administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as contract administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 8 (applicable requirements), section 9 (statutory changes during term), section 10 (distributions) and section 11 (PHA default) of the Renewal Contract.

**b Statutory authority**

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 ("Section 8") (42 U.S.C. 1437f),

2

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and section 524(a) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA) \*\* (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

**c Expiring Contract**

Previously, the owner entered into a Housing Assistance Payments Contract ("Expiring Contract") with HUD or a PHA to make Section 8 housing assistance payments to the owner for eligible families living in the project. The term of the Expiring Contract has expired or will expire prior to the beginning of the term of the Renewal Contract.

**d Purpose of Renewal Contract**

The purpose of the Renewal Contract is to renew the Expiring Contract for an additional term. During the term of the Renewal Contract, the contract administrator will make housing assistance payments to the owner in accordance with the provisions of the Renewal Contract. Such payments shall only be made for contract units occupied by eligible families ("families") leasing decent, safe and sanitary units from the owner in accordance with HUD regulations and other requirements.

**e Contract units**

The Renewal Contract applies to the project contract units identified in Exhibit A by size and applicable contract rents.

**4 EXPIRING CONTRACT – PROVISIONS RENEWED**

- a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).
- b Any provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:
  - (1) The amount of the monthly contract rents;
  - (2) Contract rent adjustments;



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(3) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.

c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section.

## 5 CONTRACT RENT

### a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the project are adjusted in accordance with section 5b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A, which is attached to and made a part of the Renewal Contract. The initial contract rent amounts listed in Exhibit A have been increased to market levels under the HUD Mark-Up-to-Market Option.

### b Contract rent adjustments

#### (1) OCAF adjustment

Except for adjustment of the contract rents to comparable market rents at the expiration of each 5-year period (as provided in paragraph 5b(2) of this section) ("fifth year adjustment"), during the term of the Renewal Contract the contract administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements, using an operating cost adjustment factor (OCAF) established by HUD. Such adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for a fifth year adjustment.

#### (2) Fifth year adjustment (comparability adjustment at expiration of each 5-year period, *if applicable*)

(a) This section 5(b)(2) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).

- 
- (b) At the expiration of each 5-year period of the Renewal Contract term, the contract administrator shall compare existing contract rents with comparable market rents for the market area. At such anniversary of the Renewal Contract, the contract administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the contract administrator in accordance with HUD requirements, necessary to set the contract rents for all unit sizes at comparable market rents. Such adjustments may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.
  - (c) To assist in the redetermination of contract rents, the contract administrator may require that the owner submit to the contract administrator a rent comparability study prepared (at the owner's expense) in accordance with HUD requirements.

**(3) Procedure for rent adjustments during renewal term**

To adjust contract rents during the term of the Renewal Contract (in accordance with paragraph 5b(1) or paragraph 5b(2)), the contract administrator shall give the owner notice of the revised Exhibit A. The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the contract administrator in accordance with paragraph 5b(1) or paragraph 5b(2). The notice shall specify when the adjustment of contract rent is effective. The notice by the contract administrator of the revised Exhibit A constitutes an amendment of the Renewal Contract.

**(4) No other adjustments**

Except for contract rent adjustments in accordance with paragraph 5b, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

**6 OWNER WARRANTIES**

- a The owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.

- 
- b The owner warrants that the rental units to be leased by the owner under the Renewal Contract are in decent, safe and sanitary condition, as defined by HUD, and shall be maintained in such condition during the term of the Renewal Contract.

**7 OWNER NOTICE**

- a Before termination of the Renewal Contract, the owner shall provide written notice to the contract administrator and each assisted family in accordance with the law and HUD requirements.
- b If the owner fails to provide such notice in accordance with the law and HUD requirements, the owner may not increase the tenant rent payment for any assisted family until such time as the owner has provided such notice for the required period.

**8 APPLICABLE REQUIREMENTS**

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including amendments or changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD regulations and requirements which are inconsistent with the provisions of the Renewal Contract, including the provisions of section 5 (contract rent) and section 10 (distributions), shall not be applicable.

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**9 STATUTORY CHANGES DURING TERM**

If any statutory change during the term of the Renewal Contract is inconsistent with section 5 or section 10 of the Renewal Contract, and if HUD determines, and so notifies the contract administrator and the owner, that the contract administrator is unable to carry out the provisions of section 5 or section 10 because of such statutory change, then the contract administrator or the owner may terminate the Renewal Contract upon notice to the other party.

**10 DISTRIBUTIONS**

During the term of the Renewal Contract, neither HUD nor the PHA may impose any additional limitations on distributions of project funds other than any distribution limitations specified in Exhibit B, which is attached to and made a part of this Renewal Contract.

**11 PHA DEFAULT**

- a This section of the Renewal Contract applies if the contract administrator is a PHA acting as contract administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA contract administrator, for the purpose of PHA administration of the Renewal Contract.
- b If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as contract administrator, to make housing assistance payments to the owner in accordance with the provisions of the Renewal Contract, and that the owner is not in default of its obligations under the Renewal Contract, HUD will take actions HUD determines necessary for the continuation of housing assistance payments to the owner in accordance with the Renewal Contract.

**12 SECTIONS 236 AND 221(D)(3) BMIR PROJECTS -- PREPAYMENT**

- a This section of the Renewal Contract shall be applicable if the project is a Section 236 project or a 221(d)(3) BMIR project (See the check-box at section 1 of the Renewal Contract).

- 
- b During the term of the Renewal Contract, the owner shall not prepay any FHA-insured mortgage on the project, except where HUD, in its sole discretion, approves the prepayment as a component of a transaction whereby the project is preserved as affordable housing.

**13 EXCLUSION OF THIRD-PARTY RIGHTS**

- a The contract administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the owner's action or failure to act in connection with the contract administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the owner.
- b The owner is not the agent of the contract administrator or HUD, and the Renewal Contract does not create or affect any relationship between the contract administrator or HUD and any lender to the owner or any suppliers, employees, contractors or subcontractors used by the owner in connection with implementation of the Renewal Contract.
- c If the contract administrator is a PHA acting as contract administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the contract administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the contract administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

**14 WRITTEN NOTICES**

Any notice by the contract administrator or the owner to the other party pursuant to the Renewal Contract must be in writing.

**SIGNATURES**

**Contract administrator (HUD or PHA)**

Name of Contract Administrator

United States Department of Housing & Urban Development (HUD)

By: \_\_\_\_\_ *Brenda J. Brown*  
Signature of authorized representative

Digitally signed by: Brenda J. Brown  
DN: CN = Brenda J. Brown email = brenda.j.brown@hud.gov C = US O = U. S.  
Department of Housing and Urban Development OU = HUD  
Date: 2018.08.23 08:50:47 -05'00'

Name and official title

Date \_\_\_\_\_

**U.S. Department of Housing and Urban Development**

By: \_\_\_\_\_ *Brenda J. Brown*  
Signature of authorized representative

Digitally signed by Brenda J. Brown  
DN: CN = Brenda J. Brown email =  
brenda.j.brown@hud.gov C = US O =  
U. S. Department of Housing and  
Urban Development OU = HUD  
Date 2018.08.02 09:36:53 -05'00'

Name and official title

Date \_\_\_\_\_

**Owner**

Name of Owner

NHTE Piedmont Garrett Square LP

By: \_\_\_\_\_  
By NHTE Piedmont Garrett Square LLC General Partner

Signature of authorized representative

*[Handwritten Signature]*

*Scott Kline*  
*Manager*  
Name and title

Date August 15, 2018

**EXHIBIT A**

**IDENTIFICATION OF UNITS ("CONTRACT UNITS")  
BY SIZE AND APPLICABLE CONTRACT RENTS**

**Section 8 Contract Number:** VA36H027021  
**FHA Project Number (if applicable):** \_\_\_\_\_  
**Effective Date of the Rent Increase (if applicable):** September 1, 2018

<u>Number of Contract Units</u>	<u>Number of Bedrooms</u>	<u>Contract Rent</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
<u>80</u>	<u>2 BD/1BA</u>	<u>1,100</u>	<u>95</u>	<u>1195</u>
<u>16</u>	<u>3 BD/2BA</u>	<u>1,325</u>	<u>149</u>	<u>1474</u>
<u>38</u>	<u>3 BD/1.5BA/TH</u>	<u>1,325</u>	<u>153</u>	<u>1478</u>
<u>16</u>	<u>4 BD/2.5BA/TH</u>	<u>1,375</u>	<u>197</u>	<u>1572</u>

**NOTE:**  
This Exhibit will be amended by contract administrator notice to the owner to specify adjusted contract rent amounts as determined by the contract administrator in accordance with section 5b(3) of the Renewal Contract.

Comments: \_\_\_\_\_

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**EXHIBIT B**

**DISTRIBUTION LIMITATIONS**

**FOR PROJECT NOT SUBJECT TO DISTRIBUTION LIMITATIONS:**

If the project is not subject to any limitations on distribution of project funds, either pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, neither HUD nor the PHA may impose any additional limitations on distribution of project funds during the term of the Renewal Contract.

**FOR PROJECT SUBJECT TO DISTRIBUTION LIMITATIONS:**

If the project is subject to any limitations on distribution of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitations on distribution shall continue to be applicable during the term of the Renewal Contract, provided that the owner may take an increased distribution in accordance with the Section 8 Renewal Policy Guidance for Renewal of Project-Based Section 8 Contracts, (the "Guidebook").

However, owners of Section 8 properties must maintain the property in good condition, as demonstrated by a REAC score of 60 or higher, in order to take increased distributions.

The owner shall comply with the distribution limitations. The maximum distribution to the owner shall be equal to the total of:

- 1 The limited distribution permitted pursuant to the FHA Regulatory agreement or the Expiring Contract, **plus**
- 2 Any increased distribution as approved by HUD in accordance with the Guidebook.



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## INSTRUCTIONS FOR PREPARATION OF RENEWAL CONTRACT

The following instructions are not part of the Renewal Contract.

Endnote numbers are keyed to references in the text of the Renewal Contract.

<sup>1</sup> This form of Renewal Contract is only to be used to renew an expiring Section 8 project-based HAP contract for a Section 8 project whose rents are increased to market under the HUD Mark-Up-to-Market Option. The Renewal Contract shall be entered in accordance with Section 524 of MAHRA and HUD requirements. Section 2 of the Renewal Contract specifies the contract term.

<sup>2</sup> To prepare the Renewal Contract for execution by the parties, fill out all contract information in section 1 and section 2.

<sup>3</sup> Enter a description of the housing that will be covered by the Renewal Contract. The description must clearly identify the housing by providing the address or other description of project location, and any other information necessary to clearly designate the covered housing.

If necessary, attach an exhibit with a site plan or other descriptive information. Enter a reference to the attached exhibit.

<sup>4</sup> Enter the name of the contract administrator that executes the Renewal Contract. If HUD is the contract administrator, enter "United States of America – Department of Housing and Urban Development (HUD)". If the contract administrator is a public housing agency (PHA), enter the full name of the PHA.

<sup>5</sup> The Renewal Contract must be entered before expiration of the Expiring Contract. Enter the date of the first day after expiration of the term of the Expiring Contract.

<sup>6</sup> Enter a whole number of five or more years.

<sup>7</sup> Enter the amount of funding obligated.

<sup>8</sup> Enter a whole number of months.

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM  
HOUSING FINANCE AND DEVELOPMENT AGENCIES

PART I OF THE

HOUSING ASSISTANCE PAYMENTS CONTRACT

NEW CONSTRUCTION OR SUBSTANTIAL REHABILITATION

MASTER SECTION 8 ACC NUMBER: P-5512	ACC LIST NUMBER AND DATE: P-77-249 6/28/77 P-78-441 9/13/78	NEW CONSTRUCTION PROJECT NUMBER: or VA 36-11027-021 (SUBSTANTIAL REHABILITATION PROJECT NUMBER)
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This Housing Assistance Payments Contract ("Contract") is entered into by and between the Virginia Housing Development Authority a housing finance agency ("HFA"), which is a public housing agency as defined in the United States Housing Act of 1937, 42 U.S.C. 1437, et seq. ("Act"), at section 1437a(6), and Cavalier Development Company ("Owner"), and approved by the United States of America acting through the Department of Housing and Urban Development ("Government"), pursuant to the Act and the Department of Housing and Urban Development Act, 42 U.S.C. 3531, et seq.

The parties hereto agree as follows:

1.1 SIGNIFICANT DATES AND OTHER ITEMS - CONTENTS OF CONTRACT.

- a. **Effective Date of Contract.** The effective date of this Contract is See Execution Pages, 19\_\_\_. (This date shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR, Section 983.316(a).)
- b. **Initial Term of Contract.** The initial term of this Contract (see Section 1.4a) shall be 5 years (not to exceed five years), beginning with the effective date of this Contract and ending See Execution Pages, 19\_\_.
- c. **Number and Length of Optional Additional Terms.** The number and length of optional additional terms (see Section 1.4a) shall be 7 terms of 5 years each (not to exceed five years each).
- d. **Maximum Total Term of Contract.** The maximum total term of this Contract for any unit, including all renewals, shall be as specific in Section 1.4a.
- e. **Fiscal Year.** The ending date of each Fiscal Year (see Section 1.4b) shall be June 30 (insert March 31, June 30, September 30, or December 31, as determined by the Government).
- f. **Annual Contributions Contract.** The Annual Contributions Contract applicable to this Contract ("ACC") (see Section 1.5a) is the ACC date JULY 11, 19 77, with respect to Project No. VA 36-11027-021.
- g. **Maximum Housing Assistance Commitment.** The maximum amount of the commitment for housing assistance payments under this Contract (see Section 1.6a) is \$ 604,032.00 per annum. (Enter amount specified in the ACC for housing assistance payments, exclusive of the Financing Cost Contingency.) This amount shall be subject to increase pursuant to Section 1.5c(2) or 1.5c(3) of the Agreement or Section 1.9c(3) of this Contract, as appropriate.
- h. **Percent of Units to be Leased to Very Low-Income Families.** In the initial renting of the Contract Units, the minimum percentage of those units required to be leased to Very Low-Income Families (see Section 1.10c(1)) shall be 30 percent.
- i. **Contents of Contract.** This Contract consists of Part I, Part II, and the following exhibits:

- Exhibit A: The schedule showing the number of units by size ("Contract Units") and their applicable rents ("Contract Rents");
- Exhibit B: The project description;
- Exhibit C: The statement of services, maintenance and utilities to be provided by Owner;
- Exhibit D: The Affirmative Fair Housing Marketing Plan, if applicable; and

Additional exhibits: [Specify additional exhibits, if any. If none, insert "None."] Exhibits A-1 et seq.

to be attached as stages are completed

This Contract, including said exhibits, comprises the entire agreement between the parties hereto with respect to the matters contained herein, and neither party is bound by any representations or agreements of any kind except as contained herein or except agreements entered into in writing which are not inconsistent with this Contract.

1.2 OWNER'S WARRANTIES.

- a. **Legal Capacity.** The Owner warrants that he has the legal right to execute this Contract and to lease dwelling units covered by this Contract.
- b. **Completion of Work.** The Owner warrants that the project as described in Exhibit B is in good and tenable condition and that the project has been completed in accordance with the terms and conditions of the Agreement to Enter into Housing Assistance Payment Contract ("Agreement") or will be completed in accordance with the terms on which the project was accepted. The Owner further warrants that he will remedy any defects or omissions covered by this warranty if called to his attention within 12 months of the effective date of this Contract. The Owner and the HFA agree that the continuation of this Contract shall be subject to the conditions set forth in Section 1.9b of the Agreement.

1.3 FAMILIES TO BE HOUSED; HFA ASSISTANCE.

- a. **Families to be Housed.** The Contract Units are to be leased by the Owner to eligible lower-income families ("Families") for use and occupancy by such Families solely as private dwellings.
- b. **HFA Assistance.**
  - (1) The HFA hereby agrees to make housing assistance payments on behalf of Families for the Contract Units, to enable such Families to lease, own, sell, and transmit housing payment to section 8 of the Act. Such housing assistance payments shall equal the difference between the Contract Rents for units leased to Families and the portion of such rents payable by Families as determined by the Owner in accordance with a formula and criteria established by the Government.

- (2) If there is an Allowance for Utility and Other Services and if such Allowance exceeds the Gross Family Contribution, the Owner shall pay the Family the amount of such excess on behalf of the HFA upon receipt of funds from the HFA for that purpose.

#### 4. TERM OF CONTRACT; FISCAL YEAR

##### a. Term of Contract.

[Alternative provisions—incorporate alternative 1, 2, or 3, as applicable.]

##### ALTERNATIVE 1—GENERAL

The initial term of this Contract shall be as stated in Section 1.1b. This Contract may be renewed for the number and length of additional terms stated in Section 1.1c, provided that the total Contract term for any unit, including all renewals, shall not exceed the shorter of (1) 40 years or (2) a period terminating on the date of the last payment of principal due on the permanent financing (insert in (1) a number of years equal to the maximum anticipated number of years during which assistance payments will be made, not to exceed 40 years). Renewals shall be automatic unless either party notifies the other in writing, no later than 60 days prior to the expiration of the current term, of his desire not to renew, and the other party agrees in writing that there shall be no renewal. If the project is completed in stages, the dates for the initial term and renewal terms shall be separately related to the units in each stage; Provided, however, that the total Contract term for all the stages, beginning with the effective date of the Contract with respect to the first stage, shall not exceed the total Contract term for any unit specified in this paragraph, plus two years. In any case where the property is owned by, or financed by a loan or loan guarantee from, a State or local agency, the housing assistance payments pursuant to this Contract with respect to any abetting unit shall be payable over a period not to exceed 40 years.

##### ALTERNATIVE 2—FOR MOBILE HOMES PROJECT:

~~In the case of mobile homes, the initial term of the Contract for each mobile home shall be as stated in Section 1.1b. This Contract may be renewed with respect to any mobile home for the number and length of additional terms as stated in Section 1.1c, provided that the total Contract term for any mobile home, including all renewals, shall not exceed \_\_\_\_\_ years. [Insert number as authorized by the Government pursuant to 24 CFR, Section 883.206.] Renewals shall become effective only if either party gives written notice, with a copy to the Government, no later than 60 days prior to the expiration of the current term, of his desire to renew, and the other party and the Government give their written concurrence and approval, respectively, before the expiration of the current term. If the project is completed in stages, the dates for the initial term and renewal terms shall be separately related to the mobile homes in each stage; Provided, however, that the total Contract term for all the stages, beginning with the effective date of the Contract with respect to the first stage, shall not exceed the total Contract term stated in Section 1.1d, plus two years. For purposes of this paragraph a, the term "mobile home" means the original mobile home and any replacement combined.~~

##### ALTERNATIVE 3—FOR CERTAIN SUBSTANTIAL REHABILITATION PROJECTS:

~~For a Substantial Rehabilitation project, where the relative cost of the rehabilitation is less than 15 percent of the value of the project, completion of the rehabilitation, the Contract shall be for one term of not more than five years for any dwelling unit. If the project is completed in stages, this term shall be separately related to the units in each stage; Provided, however, that the total Contract term for all the stages, beginning with the effective date of the Contract with respect to the first stage, shall not exceed said Contract term, plus two years.~~

- b. Fiscal Year. The Fiscal Year for the project shall be the 12-month period ending on the date stated in Section 1.1e; Provided, however, that the first Fiscal Year for the project shall be the period beginning with the effective date of the Contract and ending on the last day of said established Fiscal Year which is not less than 12 months after such effective date. If the first Fiscal Year exceeds 12 months, the maximum total annual housing assistance payment in Section 1.6a may be adjusted by the addition of the pro rata amount applicable to the period of operation in excess of 12 months.

#### 1.5 ANNUAL CONTRIBUTIONS CONTRACT.

- a. Identification of Annual Contributions Contract. The HFA has entered into an Annual Contributions Contract with the Government, as identified in Section 1.1f, under which the Government will provide financial assistance to the HFA pursuant to section 5 of the Act for the purpose of making housing assistance payments. A copy of the ACC shall be provided upon request.
- b. HFA Pledge of ACC Payments. The HFA hereby pledges to the payment of housing assistance payments pursuant to this Contract by annual contributions payable under the ACC for such housing assistance payments. The HFA shall not, without the consent of the Owner, amend or modify the ACC in any manner which would reduce the amount of such annual contributions, except as authorized in the ACC and this Contract.
- c. Government Approval of Housing Assistance Payments Contract. The approval of this Contract by the Government signifies that the Government has executed the ACC and that the ACC has been properly authorized; that the faith of the United States is solemnly pledged to the payment of annual contributions pursuant to said ACC; and that funds have been obligated by the Government for such payments to assist the HFA in the performance of its obligations under the Contract.

#### 1.6 MAXIMUM HOUSING ASSISTANCE COMMITMENT; PROJECT ACCOUNT.

- a. Maximum Housing Assistance Commitment. Notwithstanding any other provisions of this Contract (other than paragraph b. of this Section) or any provisions of any other contract between the HFA and the Owner, the HFA shall not be obligated to make and shall not make any housing assistance payments under this Contract in excess of the amount per annum stated in Section 1.1g; Provided, however, that this amount shall be reduced commensurately with any reduction in the number of Contract Units or in the Contract Rents or pursuant to any other provision of the ACC or this Contract (except reductions in Contract Rents pursuant to Section 1.9c(1)).
- b. Project Account. As provided in the ACC, in order to assure that housing assistance payments will be increased on a timely basis to cover increases in Contract Rents or decreases in Family Incomes:
- (1) A Project Account shall be established and maintained, in an amount as determined by the Government consistent with its responsibilities under section 6(d)(1) of the Act, out of amounts by which the Maximum ACC Commitment per year (exclusive of any Financing Cost Contingency) exceeds amounts paid under the ACC for any Fiscal Year. This account shall be established and maintained by the Government as a specifically identified and segregated account. In the event funds are available in said account, the maximum total annual housing assistance payments for any Fiscal Year may exceed the maximum amount stated in paragraph a of this Section to cover increases in Contract Rents or decreases in Family Incomes (see Section 1.9). Any amount remaining in said account after payment of the last housing assistance payment with respect to the project shall be applied by the Government in accordance with law.
  - (2) Whenever the Government approved estimate of the required Annual Contribution exceeds the Maximum ACC Commitment (the effect exclusive of any Financing Cost Contingency), and would cause the amount in the Project Account to be less than an amount equal to 40 percent of such Maximum ACC Commitment, the Government shall, within a reasonable period of time, take such additional steps authorized by section 6(d)(1) of the Act as may be necessary to carry out this assistance, including (as provided in that section of the Act) "the reservation of annual contributions authority for the purpose of amending housing assistance contracts or the allocation of a portion of new authorizations for the purpose of amending housing assistance contracts."

1.7 HOUSING ASSISTANCE PAYMENTS TO OWNERS.

a. General.

- (1) Housing assistance payments shall be paid to the Owner for units under lease by Families in accordance with the Contract. The housing assistance payment will cover the difference between the Contract Rent and that portion of said rent payable by the Family as determined in accordance with the Government-established schedules and criteria.
- (2) The amount of housing assistance payment payable on behalf of a Family and the amount of rent payable by such Family shall be subject to change by reason of changes in Family Income, Family composition, or extent of exceptional medical or other unusual expenses in accordance with the Government-established schedules and criteria; or by reason of adjustment by the HFA of any applicable Allowance for Utilities and Other Services. Any such change shall be effective as of the date stated in a notification of such change to the Family.

- b. Vacancies During Rent-up. If a Contract Unit is not leased as of the effective date of the Contract, the Owner shall be entitled to housing assistance payments in the amount of 80 percent of the Contract Rent for the unit for a vacancy period not exceeding 60 days from the effective date of the Contract, provided that the Owner (1) commenced marketing and otherwise complied with Section 1.10b of the Agreement, (2) has taken and continues to take all feasible actions to fill the vacancy, including, but not limited to, contacting applicants on his waiting list, if any, requesting the HFA and other appropriate sources to refer eligible applicants, and advertising the availability of the unit, and (3) has not rejected any eligible applicant, except for good cause acceptable to the HFA.

c. Vacancies After Rent-up.

- (1) If a Family vacates its unit (other than as a result of action by the Owner which is in violation of the Lease or the Contract or any applicable law), the Owner shall receive housing assistance payments in the amount of 80 percent of the Contract Rent for a vacancy period not exceeding 60 days; provided, however, that if the Owner collects any of the Family's share of the rent for this period in an amount which, when added to the 80 percent payments, results in more than the Contract Rent, such excess shall be payable to the Government or as the Government may direct. (See also Section 1.10b.) The Owner shall not be entitled to any payment under this subparagraph unless he: (i) immediately upon learning of the vacancy, has notified the HFA of the vacancy or prospective vacancy and the reasons for the vacancy, and (ii) has taken and continues to take the actions specified in paragraphs b(2) and b(3) of this Section.
- (2) If the Owner evicts a Family, he shall not be entitled to any payment under paragraph c(1) of this Section unless the request for such payment is supported by a certification that (i) he gave such Family a written notice of the proposed eviction, stating the grounds and advising the Family that it had 10 days within which to present its objections to the Owner in writing or in person and (ii) the proposed eviction was not in violation of the Lease or the Contract or any applicable law.

- d. Limitation on Payments for Vacant Units. The Owner shall not be entitled to housing assistance payments with respect to vacant units under this Section to the extent he is entitled to payments from other sources (e.g., payments for losses of rental income incurred for holding units vacant for relocatees pursuant to Title I of the Housing and Community Development Act of 1974 or payments under Section 1.10b of this Contract).

- e. HFA Not Obligated for Family Rent. The HFA has not assumed any obligation for the amount of rent payable by any Family or the satisfaction of any claim by the Owner against any Family other than in accordance with Section 1.10b of this Contract.

f. Owner's Monthly Requests for Payments.

- (1) The Owner shall submit monthly requests to the HFA or as directed by the HFA for housing assistance payments. Each such request shall set forth: (i) the name of each Family and the address and/or number of the unit leased by the Family; (ii) the address and/or the number of units, if any, not leased to Families for which the Owner is claiming payments; (iii) the Contract Rent as set forth in Exhibit A for each unit for which the Owner is claiming payments; (iv) the amount of rent payable by the Family leasing the unit (or, where appropriate, the amount to be paid the Family in accordance with Section 1.32(2)); and (v) the total amount of housing assistance payments requested by the Owner.
- (2) Each of the Owner's monthly requests shall contain a certification by him that to the best of his knowledge and belief (i) the dwelling unit is in Decent, Safe, and Sanitary condition, (ii) all the other facts and data on which the request for funds is based are true and correct, (iii) the amount requested has been calculated in accordance with the provisions of this Contract and is payable under the Contract, and (iv) none of the amount claimed has been previously claimed or paid.
- (3) If the Owner has received an excessive payment, the HFA or the Government, in addition to any other rights to recovery, may deduct the amount from any subsequent payment or payments.
- (4) The Owner's monthly requests for housing assistance payments shall be made subject to penalty under 18 U.S.C. 1001, which provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

g. Recompment of Savings in Finance Cost.

- (1) In the event that interim financing is used and is continued after the first year of the term of the Contract and the debt service of the interim financing for any period of three months, after such first year, is less than the anticipated debt service under the permanent financing on which the Contract Rents were based, an amount reflecting the savings in financing cost, computed in accordance with paragraph g(2) of this Section, shall be credited by the Government to the Project Account, and withheld from housing assistance payments to the Owner. If during the course of the same year there is any period of three months in which the debt service is greater than the anticipated debt service under the permanent financing, an adjustment shall be made so that only the net amount of savings in financing cost for the year is credited by the Government to the Project Account and withheld by the HFA from the Owner as aforesaid (no increased payments shall be made to the Owner on account of any net excess for the year of actual interim debt service over the anticipated debt service under the permanent financing). Nothing in this paragraph shall be construed as requiring a reduction in the Contract Rents or precluding adjustments of Contract Rents in accordance with Section 1.9.
- (2) The computation and recompment under this paragraph may be made on an annual or on a quarterly or other periodic basis, but in any event no later than as of the end of each fiscal year. Provided, however, that if recompment is to be made less often than quarterly, the amounts of recompment shall be computed on at least a quarterly basis and funds shall be deposited in a special account from which withdrawals may be made only with the authorization of the HFA. The manner of computing the amount of recompment shall be as follows:
  - (i) Determine the amount by which the debt service for the interim financing for the period in question is less than the anticipated debt service under the permanent financing on which the Contract Rents were based;
  - (ii) Determine what percentage the amount found under paragraph g(2)(i) of this Section is of the aggregate Contract Rents for all Contract Units for the period in question;

but Apply the percentage paragraph (2)(b) of this Section to the percentage set forth for those Contract Units which are included in the Owner's (b)(1) Housing assistance payments for the period in question; and

(iv) The amount found in paragraph (2)(b) of this Section shall be credited to the Project Account and withheld from the next housing assistance payment or payments to the Owner.

(k) Payments by HFA. The amount of the housing assistance payment, determined in accordance with the provisions of this Contract, up to the amount of the mortgage repayments due the HFA from the Owner pursuant to the mortgage loan made by the HFA for the project, shall be credited to the Owner and returned monthly by the HFA from the account maintained under the General Depositary Agreement pursuant to the ACC to the trustee under the note or bond resolution of the HFA under which the notes or bonds to provide the mortgage loan were issued. Any amount of the housing assistance payment in excess of such credit shall be paid by the HFA directly to the Owner.

**1. Debt Service Payments.**

(1) If a unit continues to be vacant after the 60-day period specified in paragraph (b) or (c) of this section, the Owner may submit a claim to receive additional housing assistance payments on a semiannual basis with respect to such a vacant unit in an amount equal to the principal and interest payments required to amortize the portion of the debt attributable to that unit for the period of the vacancy, whether such vacancy commenced during rent-up or after rent-up.

(2) Additional payments under this paragraph (1) for any unit shall not be for more than 12 months for any vacancy period, and shall be made only if:

(i) The unit is not in a project insured under the National Housing Act except pursuant to Section 244 of that Act.

(ii) The unit was in decent, safe, and sanitary condition during the vacancy period for which payments are claimed.

(iii) The Owner has taken and is continuing to take the actions specified in paragraphs (k)(1), (2) and (3) or paragraphs (c)(1)(i) and (ii) and (c)(2) of this section, as appropriate.

(iv) The Owner has demonstrated in connection with the semiannual claim on a form and in accordance with the standards prescribed by the Government with respect to the period of vacancy, that the project is not providing the Owner with revenues at least equal to the project costs incurred by the Owner, and that the amount of the payments requested is not in excess of that portion of the deficiency which is attributable to the vacant units for the period of the vacancies.

(v) The Owner has submitted, in connection with the semiannual claim, a statement with relevant supporting evidence that there is a reasonable prospect that the project can achieve financial soundness within a reasonable time. The statement shall indicate the causes of the deficiency, the corrective steps that have been and will be taken and the time by which it is expected that the project revenues will at least equal project costs without the additional payments provided under this paragraph.

(3) The Government may deny any application for additional payments or suspend or terminate payments if it determines based on the Owner's statement and other evidence, that there is not a reasonable prospect that the project can achieve financial soundness within a reasonable time.

**1.8 MAINTENANCE, OPERATION AND INSPECTION.**

a. Maintenance and Operation. The Owner agrees (1) to maintain and operate the Contract Units and related facilities so as to provide Decent, Safe, and Sanitary housing, and (2) to provide all the services, maintenance and utilities set forth in Exhibit C. If the HFA determines that the Owner is not meeting one or more of these obligations, the HFA shall have the right, in addition to its other rights and remedies under this Contract, to abate housing assistance payments in whole or in part.

b. Inspections Prior to Occupancy.

(1) Prior to occupancy of any unit by a Family, the Owner and the Family shall inspect the unit and both shall certify, on forms prescribed by the Government, that they have inspected the unit and have determined it to be Decent, Safe, and Sanitary in accordance with the criteria provided in the prescribed forms. Copies of these reports shall be kept on file by the Owner for at least three years.

(2) The HFA shall inspect or cause to be inspected each Contract Unit and related facilities at least annually and at such other times (including prior to initial occupancy and re-renting of any unit) as may be necessary to assure that the Owner is meeting his obligation to maintain the units in Decent, Safe, and Sanitary condition and to provide the agreed upon utilities and other services. The HFA shall take into account complaints by occupants and any other information coming to its attention in scheduling inspections and shall notify the Owner and the Family of its determination.

c. Units Not Decent, Safe, and Sanitary. If the HFA notifies the Owner that he has failed to maintain a dwelling unit in Decent, Safe, and Sanitary condition and the Owner fails to take corrective action within the time prescribed in the notice, the HFA may exercise any of its rights or remedies under the Contract, including abatement of housing assistance payments, even if the Family continues to occupy the unit. If, however, the Family wishes to be rehoused in another dwelling unit with section 8 assistance and the HFA does not have other section 8 funds for such purposes, the HFA may use the abated housing assistance payments for the purpose of rehousing the Family in another dwelling unit. Where this is done, the Owner shall be notified that he will be entitled to resumption of housing assistance payments for the vacated dwelling unit if (1) the unit is restored to Decent, Safe, and Sanitary condition, (2) the Family is willing to and does move back into the restored unit, and (3) a deduction is made for the expenses incurred by the Family for both moves.

d. Notification of Abatement. Any abatement of housing assistance payments shall be effective as provided in written notification to the Owner. The HFA shall promptly notify the Family of any such abatement.

e. Overcrowded and Underoccupied Units. If the HFA determines that a Contract Unit is not Decent, Safe, and Sanitary by reason of increase in Family size, or that a Contract Unit is larger than appropriate for the size of the Family in occupancy, housing assistance payments with respect to such unit will not be abated, unless the Owner fails to offer the Family a suitable unit as soon as one becomes vacant and ready for occupancy. In the case of an overcrowded unit, if the Owner does not have any suitable units or if no vacancy of a suitable unit occurs within a reasonable time, the HFA will assist the Family in finding a suitable dwelling unit and require the Family to move to such a unit as soon as possible. The Owner may receive housing assistance payments for the vacated unit if he complies with the requirements of Section 1.7(c).

**1.9 RENT ADJUSTMENTS.**

a. Funding of Adjustments. Housing assistance payments will be made in increased amounts commensurate with Contract Rent adjustments under this Section up to the maximum amount authorized under Section 1.6 of this Contract.

b. Automatic Annual Adjustments.

(1) Automatic Annual Adjustment Factors will be determined by the Government at least annually; interim revisions may be made as market conditions warrant. Such Factors and the basis for their determination will be published in the Federal Register. These published Factors will be reduced appropriately by the Government where utilities are paid directly by the Families.

(2) On each anniversary date of the Contract, the Contract Rents shall be adjusted by applying the applicable Automatic Annual Adjustment Factor most recently published by the Government. Contract Rents may be adjusted upward or downward, as may be appropriate; however, in no case shall the adjusted Contract Rents be less than the Contract Rents on the effective date of the Contract.

Use of this Section 1.9 is optional.

The actual cost of the project, including the cost of interest, but only to the extent that the Owner or the HFA clearly demonstrates that such general increases have caused increases in the Owner's operating costs which are not adequately compensated for by automatic annual adjustments. The Owner or the HFA shall submit to the Government financial statements which clearly support the increase.

- d. **Overall Limitation.** Notwithstanding any other provisions of this Contract, adjustments as provided in this Section shall not result in material differences between the rents charged for assisted and comparable unassisted units, as determined by the HFA and approved by the Government, in the case of adjustments under paragraph e of this Section; provided, that this limitation shall not be construed to prohibit differences in rents between assisted and comparable unassisted units to the extent that such differences may have existed with respect to the Initial Contract Rents.
- e. **Adjustment to Reflect Actual Cost of Permanent Financing.** This paragraph e shall apply if the project is not permanently financed until after the effective date of the Contract. After the project is permanently financed, the HFA shall submit a certification to the Government as to the actual financing terms and the following provisions shall apply:
- (1) If the actual debt service under the permanent financing is lower than the anticipated debt service on which the Contract Rents were based, the Contract Rents currently in effect shall be reduced commensurately, and the amount of the savings shall be credited to the Project Account. The Maximum ACC Commitment shall not be reduced except by the amount of the contingency, if any, which was included for possible increases under paragraph e(2) of this Section.
  - (2) If the actual debt service under the permanent financing is higher than the anticipated debt service on which the Contract Rents were based, and the HFA is using its set-aside for the project, the Contract Rents currently in effect shall be increased commensurately, not to exceed the limitations in this paragraph e(2) and the amount of the Financing Cost Contingency in the ACC, if the projected borrowing rate (net interest cost) was not less than the average net interest cost for the preceding quarter (at the time the projection was submitted to the Government) of the "20 Bond Index" published weekly in the Bond Buyer, plus 50 basis points. An adjustment under this paragraph e(2) shall not be more than is necessary to reflect an increase in debt service (based upon the original projected capital cost and the actual term of the permanent financing for the project) resulting from an increase in interest rate of not more than:
    - (i) One and one-half percent if the projected spread as submitted to the Government was three-fourths of one percent or less, or
    - (ii) One percent if such projected spread was more than three-fourths of one percent but not more than one percent, or
    - (iii) One-half of one percent if such projected spread was more than one percent.
  - (3) After Contract Rents have been adjusted in accordance with paragraph e(1) or e(2) of this Section, the maximum amount of the ACC commitment shall be reduced by the amount of any unused portion of the Financing Cost Contingency, and such portion shall be re-allocated to the then current set-aside of the HFA, if any. At the same time, if the Contract Rents have been increased in accordance with paragraph e(2) of this Section, the maximum Contract amount specified in Section 1.1 g shall be increased commensurately.
- f. **Incorporation of Rent Adjustment.** Any adjustment in Contract Rents shall be incorporated into Exhibit A by a dated addendum to the exhibit establishing the effective date of the adjustment.

#### 1.10 MARKETING AND LEASING OF UNITS.

- a. **Compliance with Equal Opportunity.** Marketing of units and selection of Families by the Owner shall be in accordance with the Owner's Government-approved Affirmative Fair Housing Marketing Plan, shown as Exhibit D, and with all regulations relating to fair housing advertising.
- b. **Security and Utility Deposits.**
- (1) The Owner may require Families to pay a security deposit in an amount equal to one month's Gross Family Contribution. If a Family vacates its unit, the Owner, subject to State and local law, may utilize the deposit as reimbursement for any unpaid rent or other amount owed under the Lease. If the Family has provided a security deposit, and it is insufficient for such reimbursement, the Owner may claim reimbursement from the HFA, not to exceed an amount equal to the remainder of one month's Contract Rent. Any reimbursement under this Section shall be applied first toward any unpaid rent. If a Family vacates its unit owing no rent or other amount under the Lease, or if the amount owed is less than the amount of the security deposit, the Owner shall refund the full amount or the unused balance, as the case may be, to the Family.
  - (2) In those jurisdictions where interest is payable by the Owner on security deposits, the refunded amount shall include the amount of interest payable. All security deposit funds shall be deposited by the Owner in a segregated bank account, and the balance of this account, at all times, shall be equal to the total amount collected from tenants then in occupancy, plus any accrued interest. The Owner shall comply with all State and local laws regarding interest payments on security deposits.
  - (3) Families shall be expected to obtain the funds to pay security and utility deposits, if required, from their own resources and/or other private or public sources.
- c. **Eligibility, Selection and Admission of Families.**
- (1) The Owner shall be responsible for determination of eligibility of applicants, selection of families from among those determined to be eligible, and computation of the amount of housing assistance payments on behalf of each selected Family in accordance with schedules and criteria established by the Government. In the initial renting of the Contract Units, the Owner shall lease at least that percentage of those units which is stated in Section 1.1h to Very Low-Income Families (determined in accordance with the Government-established schedules and criteria) and shall thereafter exercise his best efforts to maintain at least that percentage of occupancy of the Contract Units by Very Low-Income Families as determined in accordance with such schedules and criteria.
  - (2) The Lease entered into between the Owner and each selected Family shall be on the form of Lease approved by the HFA.
  - (3) The Owner shall make a re-examination of Family Income, composition, and the extent of medical or other unusual expenses incurred by the Family, at least annually (except that such reviews may be made at intervals of no longer than two years in the case of elderly Families), and appropriate redeterminations shall be made by the Owner of the amount of Family contribution and the amount of housing assistance payment, all in accordance with schedules and criteria established by the Government. In connection with the re-examination, the Owner shall determine what percentage of Families in occupancy are Very Low-Income Families. If there are fewer than the agreed to percentage of Very Low-Income Families in occupancy, the Owner shall report the fact to the HFA and shall adopt changes in his admission policies to achieve, as soon as possible, at least the agreed to percentage of occupancy by such Families.
- d. **Rent Redetermination after Adjustment in Allowance for Utilities and Other Services.** In the event that the Owner is notified of an HFA determination making an adjustment in the Allowance for Utilities and Other Services applicable to any of the Contract Units, the Owner shall promptly make a corresponding adjustment in the amount of rent to be paid by the affected Families and the amount of housing assistance payments.
- e. **Processing of Applications and Complaints.** The Owner shall process applications for admission, notifications to applicants, and complaints by applicants in accordance with applicable HFA or Government requirements and shall maintain records and furnish such copies of other information as may be required by the HFA or the Government.
- f. **Review of Incorrect Payments.** In making housing assistance payments to Owners, the HFA or the Government will review the Owner's determinations under this Section. If as a result of this review, or other reviews, audits or information received by the HFA or the Government at any time, it is determined that the Owner has received improper or excessive housing assistance payments, the HFA or the Government shall have the right to deduct the amount of such overpayments from any amounts otherwise due the Owner, or otherwise effect recovery thereof.

1.11 **REMARKS ON TENANCY.** The Owner shall be responsible for coordination of tenancy, including evictions. However, conditions for payment of housing assistance payments for any resulting vacancies shall be as set forth in Section 1.7c.

1.5. REDUCTION OF NUMBER OF CONTRACT UNITS FOR FAILURE TO LEASE TO ELIGIBLE FAMILIES.

- a. After First Year of Contract. If at any time, beginning six months after the effective date of this Contract, the Owner fails for a continuous period of six months to have at least 90 percent of the Contract Units leased or available for leasing by Families, the HFA, with Government approval, may on 30 days notice reduce the number of Contract Units to not less than the number of units under lease or available for leasing by Families, plus 10 percent of such number if the number is 10 or more, rounded to the next highest number.
- b. At End of Initial and Each Renewal Term. At the end of the initial term of the Contract and of each renewal term, the HFA, with Government approval, may, by notice to the Owner, reduce the number of Contract Units to not less than (1) the number of units under lease or available for leasing by Families at that time or (2) the average number of units so leased or available for leasing during the last year, whichever is the greater, plus 10 percent of such number if the number is 10 or more, rounded to the next highest number.
- c. Restoration of Units. The Government will agree to an amendment of the ACC to provide for subsequent restoration of any reduction made pursuant to paragraph a or b of this Section if the Government determines that the restoration is justified as a result of changes in demand and in the light of the Owner's record of compliance with his obligations under the Contract and if annual contributory contract authority is available; and the Government will take such steps authorized by section 816(b) of the Act as may be necessary to carry out this assurance (see Section 1.6).

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

<p><del>APPROVED:</del></p> <p>United States of America Secretary of Housing and Urban Development</p> <p>By _____ (Official Title)</p> <p>Date _____, 19__</p>	<p><del>OWNER</del></p> <p>By _____ (Official Title)</p> <p>Date _____, 19__</p>
<p>By _____ (Official Title)</p> <p>Date _____, 19__</p>	<p>HFA</p> <p>By _____ (Official Title)</p> <p>Date _____, 19__</p>

[(If the project is to be completed and accepted in stages, execution of the Contract with respect to the several stages appears on the following pages of this Contract.)

EXEMPTION OF CONTRACT WITH RESPECT  
TO CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES

OWNER: Cavalier Development Company  
HFA: VIRGINIA HOUSING DEVELOPMENT AUTHORITY  
MASTER SECTION B NUMBER: P-5512  
ACC LIST NUMBER AND DATE: P-77-249 6/28/77  
P-78-441 9/13/78  
PROJECT NUMBER: VA 36-HO27-021  
STAGE: 1

This Contract is hereby executed with respect to the units described in Exhibit A- 1.

Effective Date. The effective date of this Contract with respect to the units described in Exhibit A- 1 is August 1, 1978. [Insert date which shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR, Section 883.316 (a)].

Initial Term of Contract. The initial term of this Contract (see Section 1.4a) with respect to the units described in Exhibit A- 1 shall be 5 years (not to exceed five years), beginning with the effective date of this Contract with respect to such units and ending July 31, 1983.

APPROVED:

United States of America  
Secretary of Housing and  
Urban Development

By: [Signature]  
Deputy Director for Development  
(Official Title)

Date: September 14, 1978

OWNER: Cavalier Development Company

By: [Signature]  
General Partner  
(Official Title)

Date: July 31, 1978

HFA: VIRGINIA HOUSING DEVELOPMENT  
AUTHORITY

By: [Signature]  
James F. Kelly, CPM  
Director of Housing Management  
(Official Title)

Date: August 1, 1978



EXHIBIT A-1

STAGE	UNITS	BUILDINGS	CONTRACT RENTS	GROSS RENTS
1	28 2BR (AW)	10,11,12,13	\$ 255	\$ 305
	4 3BR (AW)		295	368

EXECUTION OF CONTRACT WITH RESPECT  
TO CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES

OWNER: Simon R. Miller and Maurice Steingold, t/a  
Cavalier Development Company

HFA: VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MASTER SECTION 8 NUMBER: P-5512

ACC LIST NUMBER AND DATE: P-77-249 6/28/77

PROJECT NUMBER: VA 36-H027-021

STAGE: Two (2)



This Contract is hereby executed with respect to the units described in Exhibit A- 1.

Effective Date. The effective date of this Contract with respect to the units described in Exhibit A- 1 is September 6, 1978. [Insert date which shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR, Section 883.316 (a)].

Initial Term of Contract. The initial term of this Contract (see Section 1.4a) with respect to the units described in Exhibit A- 1 will be 5 years [not to exceed five years], beginning with the effective date of this Contract with respect to such units and ending September 5, 1983.

APPROVED: OWNER: Cavalier Development Company

United States of America  
Secretary of Housing and  
Urban Development  
By: Simon R. Miller  
General Partner  
(Official Title)

By: [Signature]  
Deputy Director for Development  
(Official Title)  
Date: September 1, 1978

Date: 5/17/79, 1979  
HFA: VIRGINIA HOUSING DEVELOPMENT  
AUTHORITY  
By: James F. Kelly  
James F. Kelly, CPM  
Director of Housing Management  
(Official Title)

Date: September 5, 1978

Exhibit A - 1

Unit Addresses

Number & Type Units

405 Garrett Street, Apts. A - H	2	3BR Gardens
	6	2BR Gardens
407 Garrett Street, Apts. A - H	2	3BR Gardens
	6	2BR Gardens
403 Garrett Street, Apts. A - H	8	2BR Gardens
401 Garrett Street, Apts. A - H	2	3BR Gardens
	6	2BR Gardens
Total Number of Units	26	2BR Gardens
	6	3BR Gardens



EXECUTION OF CONTRACT WITH RESPECT  
TO CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES

OWNER: Cavalier Development Company  
HFA: VIRGINIA HOUSING DEVELOPMENT AUTHORITY  
MASTER SECTION 8 NUMBER: P 5512  
ACC LIST NUMBER AND DATE: P-77-249 62877  
PROJECT NUMBER: VA 36-H027-021  
STAGE: Three (3)

This Contract is hereby executed with respect to the units described in Exhibit A- 1.

Effective Date. The effective date of this Contract with respect to the units described in Exhibit A- 1 is September 15, 1978. [Insert date which shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR, Section 883.316 (a)].

Initial Term of Contract. The initial term of this Contract (see Section 1.4a) with respect to the units described in Exhibit A- 1 shall be 5 years [not to exceed five years], beginning with the effective date of this Contract with respect to such units and ending September 14, 1983.

APPROVED:

United States of America  
Secretary of Housing and  
Urban Development

By: [Signature]  
Deputy Director for Development  
(Official Title)

Date: 5/17/79, 1979

OWNER: Cavalier Development Company

By: [Signature]  
General Partner  
(Official Title)

Date: September 11, 1978

HFA: VIRGINIA HOUSING DEVELOPMENT  
AUTHORITY

By: [Signature]  
James F. Kelly, C.P.M.  
Director of Housing Management  
(Official Title)

Date: September 15, 1978

Exhibit A - 1

<u>Unit Address</u>	<u>Number &amp; Type Units</u>	
412 Garrett Street, Apts. A - F	2	4BR Townhouses
	4	3BR Townhouses
410 Garrett Street, Apts. A - F	6	3BR Townhouses
Total Number of Units	2	4BR Townhouses
	10	3BR Townhouses

EXECUTION OF CONTRACT WITH RESPECT  
TO CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES

OWNER: Cavalier Development Company  
FA: VIRGINIA HOUSING DEVELOPMENT AUTHORITY  
MASTER SECTION 8 NUMBER: P 5512  
CC LIST NUMBER AND DATE: P-77-249 62877  
PROJECT NUMBER: VA 36-H027-021  
STAGE: Four (4)



This Contract is hereby executed with respect to the units described in Exhibit A-1.

Effective Date. The effective date of this Contract with respect to the units described in Exhibit A-1 is October 1, 1978. Insert date which shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR, Section 883.316 (a)].

Initial Term of Contract. The initial term of this Contract (see Section 1.4a) with respect to the units described in Exhibit A-1 shall be 5 years [not to exceed five years], beginning with the effective date of this Contract with respect to such units and ending September 30, 1983.

APPROVED: OWNER: Cavalier Development Company

United States of America  
Secretary of Housing and  
Urban Development

By: Simon R. Miller  
General Partner  
(Official Title)

By: [Signature]  
Deputy Director for Development  
(Official Title)

Date: September 26, 1978

Date: 5/17/79, 1979

HFA: VIRGINIA HOUSING DEVELOPMENT  
AUTHORITY

By: James F. Kelly  
James F. Kelly, C.P.M.  
Director of Housing Management  
(Official Title)

Date: September 28, 1978

Exhibit A - 1

<u>Unit Address</u>	<u>Number &amp; Type Units</u>	
408 Garrett Street, Apts. A - F	2	4BR Townhouses
	4	3BR Townhouses
Total Number of Units	2	4BR Townhouses
	4	3BR Townhouses

EXECUTION OF CONTRACT WITH RESPECT  
TO CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES



OWNER: Cavalier Development Company  
FA: VIRGINIA HOUSING DEVELOPMENT AUTHORITY  
MASTER SECTION 8 NUMBER: P 5512  
ACC LIST NUMBER AND DATE: P-77-249 62877  
PROJECT NUMBER: VA 36-H027-021  
STAGE: Five (5)

This Contract is hereby executed with respect to the units described in Exhibit A-1.

Effective Date. The effective date of this Contract with respect to the units described in Exhibit A-1 is October 13, 1978. [Insert date which shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR, section 883.316 (a)].

Initial Term of Contract. The initial term of this Contract (see section 1.4a) with respect to the units described in Exhibit A-1 shall be 5 years [not to exceed five years], beginning with the effective date of this Contract with respect to such units and ending October 12, 1983.

APPROVED: OWNER: Cavalier Development Company

United States of America  
Secretary of Housing and  
Urban Development  
By: Simon R Miller  
General Partner  
(Official Title)

By: [Signature]  
Deputy Director for Development  
(Official Title)  
Date: October 9, 1978

Date: 5/17/79, 1979  
HFA: VIRGINIA HOUSING DEVELOPMENT  
AUTHORITY

By: James F. Kelly  
James F. Kelly, C.P.M.  
Director of Housing Management  
(Official Title)

Date: October 12, 1978



Exhibit A - 1

<u>Unit Address</u>	<u>Number &amp; Type Units</u>	
409 Garrett Street, Apts. A - H	2	3BR Garden
	6	2BR Garden
413 Garrett Street, Apts. A - H	8	2BR Garden
Total Number of Units	2	3BR Garden
	14	2BR Garden

EXECUTION OF CONTRACT WITH RESPECT  
TO CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES

OWNER: Cavalier Development Company  
BY: VIRGINIA HOUSING DEVELOPMENT AUTHORITY  
MASTER SECTION 8 NUMBER: P-5512  
PROJECT LIST NUMBER AND DATE: P-77-249 62877  
PROJECT NUMBER: VA 36-H027-021  
PAGE: Six (6)

This Contract is hereby executed with respect to the units described in Exhibit A- 1.

Effective Date. The effective date of this Contract with respect to the units described in Exhibit A- 1 is October 27, 1978. [Insert date which shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR, Section 883.316 (a)].

Initial Term of Contract. The initial term of this Contract (see Section 1.4a) with respect to the units described in Exhibit A- 1 shall be 5 years [not to exceed five years], beginning with the effective date of this Contract with respect to such units and ending October 26, 1983.

APPROVED: OWNER: Cavalier Development Company

United States of America  
Secretary of Housing and  
Urban Development

By: Simon R. Miller  
General Partner  
(Official Title)

By: [Signature]  
Deputy Director for Development  
(Official Title)

Date: October 23, 1978

Date: 5/17/79, 1979

HFA: VIRGINIA HOUSING DEVELOPMENT  
AUTHORITY

By: James T. Kelly  
Housing Manager  
(Official Title)

Date: 10.30.78, 1978

Exhibit A - 1

<u>Unit Address</u>	<u>Number &amp; Type Units</u>	
411 Garrett Street, Apts. A - H	2	3BR Garden
	6	2BR Garden
415 Garrett Street, Apts. A - H	2	3BR Garden
	6	2BR Garden
Total Number of Units	4	3BR Garden
	12	2BR Garden

EXECUTION OF CONTRACT WITH RESPECT  
TO CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES

OWNER: Cavalier Development Company  
FA: VIRGINIA HOUSING DEVELOPMENT AUTHORITY  
MASTER SECTION 8 NUMBER: P-5512  
CC LIST NUMBER AND DATE: P-77-249 62877  
PROJECT NUMBER: VA 36-H027-021  
STAGE: Seven (7)


This Contract is hereby executed with respect to the units described in Exhibit A- 1.

Effective Date. The effective date of this Contract with respect to the units described in Exhibit A- 1 is November 20, 1978. Insert date which shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR, Section 883.316 (a)].

Initial Term of Contract. The initial term of this Contract (see Section 1.4a) with respect to the units described in Exhibit A- 1 shall be 5 years [not to exceed five years], beginning with the effective date of this Contract with respect to such units and ending November 19, 1983.


APPROVED:

United States of America  
Secretary of Housing and  
Urban Development

By:   
Deputy Director for Development  
(Official Title)

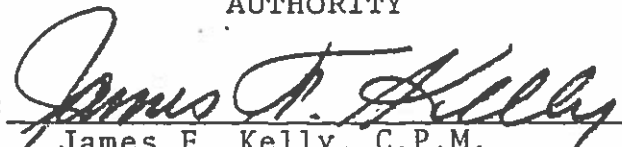
Date: 5/17/79, 1979

OWNER: Cavalier Development Company

By:   
General Partner  
(Official Title)

Date: November 13, 1978

HFA: VIRGINIA HOUSING DEVELOPMENT  
AUTHORITY

By:   
James F. Kelly, C.P.M.  
Director of Housing Management  
(Official Title)

Date: November 20, 1978

Exhibit A - 1

Unit Address

426 Garrett Street, Apts. A - F

Number & Type Units

2 4BR Townhouse  
4 3BR Townhouse

Total Number of Units

2 4BR Townhouses  
4 3BR Townhouses

EXECUTION OF CONTRACT WITH RESPECT  
TO CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES

OWNER: Cavalier Development Company  
BY: VIRGINIA HOUSING DEVELOPMENT AUTHORITY  
MASTER SECTION 8 NUMBER: P-5512  
FDC LIST NUMBER AND DATE: P-77-249 62877  
PROJECT NUMBER: VA 36-H027-021  
PAGE: Eight (8)

This Contract is hereby executed with respect to the units described in Exhibit A- 1.

Effective Date. The effective date of this Contract with respect to the units described in Exhibit A- 1 is December 1, 1978. Insert date which shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR, Section 883.316 (a)].

Initial Term of Contract. The initial term of this Contract (see Section 1.4a) with respect to the units described in Exhibit A- 1 shall be 5 years [not to exceed five years], beginning with the effective date of this Contract with respect to such units and ending November 30, 1983.

APPROVED:

United States of America  
Secretary of Housing and  
Urban Development

By: [Signature]  
Deputy Director for Development  
(Official Title)

Date: 5/19/79, 1979

OWNER: Cavalier Development Company

By: Simon R Miller  
General Partner  
(Official Title)

Date: November 27, 1978

HFA: VIRGINIA HOUSING DEVELOPMENT  
AUTHORITY

By: James P. Kelly  
Director of Housing Management  
(Official Title)

Date: December 1, 1978

Exhibit A - 1

<u>Unit Address</u>	<u>Number &amp; Type Units</u>	
424 Garrett Street, Apts. A - F	2	4BR Townhouse
	4	3BR Townhouse
422 Garrett Street, Apts. A - F	2	4BR Townhouse
	4	3BR Townhouse
420 Garrett Street, Apts. A - F	2	4BR Townhouse
	4	3BR Townhouse
Total Number of Units	6	4BR Townhouse
	12	3BR Townhouse

EXECUTION OF CONTRACT WITH RESPECT  
TO CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES

OWNER: Cavalier Development Company  
FA: VIRGINIA HOUSING DEVELOPMENT AUTHORITY  
MASTER SECTION 8 NUMBER: P-5512  
CC LIST NUMBER AND DATE: P-77-249 62877  
PROJECT NUMBER: VA 36-H027-021  
PAGE: Nine (9)

This Contract is hereby executed with respect to the units described in Exhibit A- 1.

Effective Date. The effective date of this Contract with respect to the units described in Exhibit A- 1 is December 15, 1978. Insert date which shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR, Section 883.316 (a).

Initial Term of Contract. The initial term of this Contract (see Section 1.4a) with respect to the units described in Exhibit A- 1 shall be 5 years [not to exceed five years], beginning with the effective date of this Contract with respect to such units and ending December 14, 1983.

APPROVED:

OWNER: Cavalier Development Company

United States of America  
Secretary of Housing and  
Urban Development

By: Simon R Miller  
General Partner  
(Official Title)

By: ~~5/17/79~~ [Signature]  
Deputy Director for Development  
(Official Title)

Date: December 11, 1978

Date: 5/17/79, 1979

HFA: VIRGINIA HOUSING DEVELOPMENT  
AUTHORITY

By: James F. Kelly  
James F. Kelly, CPM  
Director of Housing Management  
(Official Title)

Date: 12-15-78, 1978



Exhibit A - 1

Unit Address

Number & Type Units

416 Carrett Street, Apts. A - F

2 4BR Townhouse  
4 3BR Townhouse

Total Number of Units

2 4BR Townhouse  
4 3BR Townhouse

EXECUTION OF CONTRACT WITH RESPECT  
TO CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES

*Cavalier Development Company*

OWNER: Cavalier Development Company  
HFA: VIRGINIA HOUSING DEVELOPMENT AUTHORITY  
MASTER SECTION 8 NUMBER: P-5512  
ACC LIST NUMBER AND DATE: P-77-249 62877  
PROJECT NUMBER: VA 36-H027-021  
STAGE: Ten (10)

This Contract is hereby executed with respect to the units described in Exhibit A- 1.

Effective Date. The effective date of this Contract with respect to the units described in Exhibit A- 1 is December 26, 1978. [Insert date which shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR, Section 883.316 (a)].

Initial Term of Contract. The initial term of this Contract (see section 1.4a) with respect to the units described in Exhibit A- 1 shall be 5 years [not to exceed five years], beginning with the effective date of this Contract with respect to such units and ending December 25, 1983.

APPROVED:

United States of America  
Secretary of Housing and  
Urban Development

By: *[Signature]*  
Deputy Director for Development  
(Official Title)

Date: 5/22, 1979

OWNER: Cavalier Development Company

By: *Simon R Miller*  
General Partner  
(Official Title)

Date: December 19, 1978

HFA: VIRGINIA HOUSING DEVELOPMENT  
AUTHORITY

By: *James P. Kelly*  
Director of Housing Management  
(Official Title)

Date: 12-26-78, 197

Exhibit A - 1

Unit Address

414 Garrett Street, Apts. A - F

Number & Type Units

2 4BR Townhouse  
4 3BR Townhouse

Total Number of Units

2 4BR Townhouse  
4 3BR Townhouse

Virginia Housing  
Development Authority

Legal Division, 601 South Belvidere Street, Richmond, VA 23220



**FAX**

Date: 10/28/02

Number of pages including cover sheet: 5

To:

Scott Fireise

Phone:

Fax phone: (202) 220-1665

From:

Susan H. Siegfried

Legal Division

VHDA

Phone: 804-343-5813

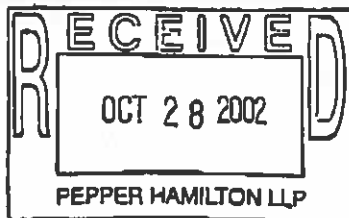
Fax phone: 804-783-6701

Re: Garrett G.

I am faxing you evidence of HUD's approval of the transfer.

Please deliver immediately.

**"Confidentiality Notice":** The information transmitted in this facsimile message is confidential and intended solely for the use of the individual or entity to which it is addressed and others who have been specifically authorized to receive it. If you are not the intended recipient or responsible for delivering this document to the addressee, you are hereby notified that any reading, disclosure, retention, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this facsimile in error, please notify us immediately by calling the Legal Division at 804-343-5933 and by returning this document to us at once via the U.S. Postal Service. We will reimburse postage. Thank you.



OCT. 28. 2003 2:21PM LEGAL  
 10/28/2002 15:21 804-771-2265

US DEPT OF HUD LEGAL

NO. 907 MP. 2/5

## HOUSING ASSISTANCE PAYMENTS ASSIGNMENT AND ASSUMPTION AGREEMENT

This Housing Assistance Payments Assignment and Assumption Agreement (the "Agreement"), is executed as of the \_\_\_ day of \_\_\_\_\_, 2002, by Cavalier Development Company, a Virginia limited partnership ("Assignor"), NHTE Piedmont Garrett Square Limited Partnership, a Virginia limited partnership ("Assignee"), and consented to and approved by the Secretary of the U.S. Department of Housing and Urban Development, acting by and through the Assistant Secretary for Housing - Federal Housing Commissioner and his successors ("HUD"), and by the Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia;

WHEREAS, on June 28, 1977, Assignor and HUD entered into a Housing Assistance Payments Contract, which contract (and any amendments thereto) is known as VA36H027021 (the "Contract") for that certain project known as Garrett Square Apartments, located in Charlottesville, Virginia (the "Property"); and

WHEREAS, Assignor and National Housing Trust - Enterprise Preservation Corporation ("NHTEPC"), a District of Columbia nonprofit corporation, entered into an Agreement for Purchase and Sale, dated November 1, 2001, (the "Purchase Agreement") for the purchase and sale of the Property; and

WHEREAS, NHTEPC assigned the Purchase Agreement to Assignee; and

WHEREAS, the Contract prohibits any sale, assignment, conveyance or transfer of the Contract, or any part of the Contract, or any interest in the Contract, without the prior written consent of HUD; and

WHEREAS, the parties hereto desire to have the obligations under the Contract to be transferred to the Assignee.

NOW, THEREFORE, for and in consideration of ten dollars cash in hand paid and other good and valuable consideration, the undersigned hereby agree as follows:

1. Assignor does hereby transfer, assign, convey and grant to Assignee all of its rights, title, interest and obligations under the Contract, effective the date of transfer of the Property by the Assignor to the Assignee (the "Transfer Date").
2. Effective the Transfer Date, the Assignee for itself, successors and assigns, hereby assumes all of the rights, title, interest and obligations under the Contract and agrees to be bound by all of the terms, conditions, obligations and restrictions of or relating to the Contract and agrees to fully, promptly and properly perform, observe, satisfy and discharge all of the terms, conditions, obligations and restrictions of or relating to the Contract.
3. Assignee hereby agrees to indemnify and hold harmless Assignor from any and all claims, demands, damages, causes or defaults occurring under the Contract on and after the Transfer Date, and Assignor hereby agrees to indemnify and hold harmless Assignee from any and all claims, demands, damages, causes or defaults which arose under the Contract prior to the Transfer Date.

OCT. 28. 2003 2:21PM LEGAL  
10/28/2002 15:21 804-771-2255

US DEPT OF HUD LEGAL

NO. 987 P. 3/5

- 4. HUD hereby approves the assignment of the Contract from Assignor to Assignee, and the assumption of the Contract by Assignee.
- 5. Nothing herein contained shall act as a release or waiver of any claim, which may arise in connection with the Assignor's failure to have faithfully and fully discharged all of its duties and responsibilities under the Contract.
- 6. This Agreement may be executed in two or more counterpart originals all of which shall have the same force and effect as if all the parties hereto had executed a single original of this Agreement.

Witness the following signatures as of the date first written above.

**Cavalier Development Company  
a Virginia limited partnership**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**NHTE Piedmont Garrett Square  
Limited Partnership,  
a Virginia limited partnership**

By: NHTE Piedmont Garrett Square, L.L.C.

By: Michael Bodakan  
Name: Michael Bodakan  
Its: Executive Manager

**CONSENTED TO AND APPROVED BY:**

**U.S. Department of Housing  
And Urban Development**

By: [Signature]  
Name: [Name]  
Its: Authorized agent

**CONSENTED TO AND APPROVED BY:**

**Virginia Housing Development Authority**

By: [Signature]  
Name: Thomas A. Deice, Managing Director  
Its: Servicing & Compliance

OCT. 28. 2003 2:21PM LEGAL  
 10/28/2002 15:21 804-771-2250

US DEPT OF HUD LEGAL

NO. 907 P. 4/5

## HOUSING ASSISTANCE PAYMENTS ASSIGNMENT AND ASSUMPTION AGREEMENT

This Housing Assistance Payments Assignment and Assumption Agreement (the "Agreement"), is executed as of the \_\_\_ day of \_\_\_\_\_, 2002, by Cavalier Development Company,\* a Virginia limited partnership ("Assignor"), NHTE Piedmont Garrett Square Limited Partnership, a Virginia limited partnership ("Assignee"), and consented to and approved by the Secretary of the U.S. Department of Housing and Urban Development, acting by and through the Assistant Secretary for Housing - Federal Housing Commissioner and his successors ("HUD"), and by the Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia;

WHEREAS, on June 28, 1977, Assignor and HUD entered into a Housing Assistance Payments Contract, which contract (and any amendments thereto) is known as VA36H027021 (the "Contract") for that certain project known as Garrett Square Apartments, located in Charlottesville, Virginia (the "Property"); and

WHEREAS, Assignor and National Housing Trust - Enterprise Preservation Corporation ("NHTEPC"), a District of Columbia nonprofit corporation, entered into an Agreement for Purchase and Sale, dated November 1, 2001, (the "Purchase Agreement") for the purchase and sale of the Property; and

WHEREAS, NHTEPC assigned the Purchase Agreement to Assignee; and

WHEREAS, the Contract prohibits any sale, assignment, conveyance or transfer of the Contract, or any part of the Contract, or any interest in the Contract, without the prior written consent of HUD; and

WHEREAS, the parties hereto desire to have the obligations under the Contract to be transferred to the Assignee.

NOW, THEREFORE, for and in consideration of ten dollars cash in hand paid and other good and valuable consideration, the undersigned hereby agree as follows:

1. Assignor does hereby transfer, assign, convey and grant to Assignee all of its rights, title, interest and obligations under the Contract, effective the date of transfer of the Property by the Assignor to the Assignee (the "Transfer Date").
2. Effective the Transfer Date, the Assignee for itself, successors and assigns, hereby assumes all of the rights, title, interest and obligations under the Contract and agrees to be bound by all of the terms, conditions, obligations and restrictions of or relating to the Contract and agrees to fully, promptly and properly perform, observe, satisfy and discharge all of the terms, conditions, obligations and restrictions of or relating to the Contract.
3. Assignee hereby agrees to indemnify and hold harmless Assignor from any and all claims, demands, damages, causes or defaults occurring under the Contract on and after the Transfer Date, and Assignor hereby agrees to indemnify and hold harmless Assignee from any and all claims, demands, damages, causes or defaults which arose under the Contract prior to the Transfer Date.

\* Limited Partnership

OCT. 28. 2003 2:22PM LEGAL

US DEPT OF HUD LEGAL

NO. 907 P. 5/5

10/28/2002 15:21 884-771-2255

- 4. HUD hereby approves the assignment of the Contract from Assignor to Assignee, and the assumption of the Contract by Assignee.
- 5. Nothing herein contained shall act as a release or waiver of any claim, which may arise in connection with the Assignor's failure to have faithfully and fully discharged all of its duties and responsibilities under the Contract.
- 6. This Agreement may be executed in two or more counterpart originals all of which shall have the same force and effect as if all the parties hereto had executed a single original of this Agreement.

Witness the following signatures as of the date first written above.

Cavalier Development Company Limited Partnership  
a Virginia limited partnership

By: [Signature]  
Name: MAURICE STEINGOLD  
Its: G/P

NHTE Piedmont Garrett Square  
Limited Partnership,  
a Virginia limited partnership

By: NHTE Piedmont Garrett Square, L.L.C.

By: \_\_\_\_\_  
Name: Michael Bodaken  
Its: Executive Manager

CONSENTED TO AND APPROVED BY:

U.S. Department of Housing  
And Urban Development

By: [Signature]  
Name: CHARLES C. FANUCCINO  
Its: Authorized agent

CONSENTED TO AND APPROVED BY:

Virginia Housing Development Authority

By: [Signature]  
Name: Thomas A. Dolce, Managing Director  
Its: SERVISING & COMPLIANCE



March 5, 2019

To: Beth Kennan - Project Manager, Piedmont Housing Alliance  
Re: Friendship Court Phase 1, projected Energy Star certification

Dear Beth,

Per our preliminary analysis, Friendship Court, Phase 1 is projected to meet the requirements for Energy Star multi-family certification.

Sincerely,



John C. Semmelhack  
owner, Think Little  
RESNET Rater #4837591



# CITY OF CHARLOTTESVILLE

*"To be One Community Filled with Opportunity"*

Office of The City Manager

P.O. Box 911 • Charlottesville, Virginia 22902

Telephone 434-970-3101

Fax 434-970-3890

www.charlottesville.org



March 12, 2019

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

RE: 2019 Tax Credit Reservation Request  
Friendship Court Phase 1 (Name of Development)  
FC Phase 1 LLC (Name of Owner)

Gentlemen:

The City of Charlottesville hereby confirms that the Special Tax Rate (the reduced rate of 50% on the building value for one (1) year for Energy Efficiency Buildings) may be applied to the Friendship Court Phase 1 building if the building meets the definition outlined in Charlottesville City Code Section 30-160.1. If the building meets the aforementioned definition, the City will work with FC Phase 1 LLC to confirm compliance with the program for the 1<sup>st</sup> year as outlined in the implementation in City Code Sections 30-160.2. through Sec.30-160.11.

We look forward to being a partner in Friendship Court's redevelopment.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Murphy', is written over a horizontal line.

Michael Murphy  
Interim City Manager  
City of Charlottesville

# Green Building Incentives and Resources

(User-friendly URL: This webpage can be reached at [www.charlottesville.org/greenincentives](http://www.charlottesville.org/greenincentives))

The City of Charlottesville offers several incentives and resources to support and promote green building practices (including energy efficiency, energy conservation, renewable energy generation, and water conservation).

Incentive/Resource	Available for Commercial / Non-Residential Properties	Available for Residential Properties
Energy Efficient Buildings Reduced Tax Rate	Yes	Yes
Solar Equipment, Facilities, and Devices Tax Exemption & Credit	Yes	Yes
Green (Vegetative or Solar) Roof Reduced Building Permit Fee	Yes	Yes
Energy Upgrades & Retrofits <del>Reduced Loan Interest Rate</del> CURRENTLY UNAVAILABLE	n/a	Yes
Renewable Energy & Energy Efficiency Clean Energy Commercial Loan Fund	Yes	n/a
WaterSense Toilet Rebate	Yes	Yes
Rain Barrel Rebate	Yes	Yes
Tankless Water Heater Rebate	Yes	Yes
Programmable Thermostat Rebate	Yes	Yes
EV Charging Station Mini-Grant Program	Yes	n/a

## Descriptions

### Special Tax Rate for Energy Efficient Buildings – for Charlottesville Commercial/Non-Residential and Residential Properties

Buildings within the City of Charlottesville that meet the energy efficiency standards as described below are eligible for a reduced tax rate of 50% on the building value for one (1) tax year. Eligibility for the special tax rate is effective beginning the first day of the tax year next succeeding the certification by the department of neighborhood development services and shall remain in effect for that tax year.

"Energy-Efficient Building" means any building that:

*(i) exceeds the energy efficiency standards prescribed in the Virginia Uniform Statewide Building Code by 30%,*

*(ii) meets or exceeds performance standards of the Green Globes Green Building Rating System of the Green Building Initiative,*

*(iii) meets or exceeds performance standards of the Leadership in Energy and Environmental Design (LEED) Green Building Rating System of the U.S. Green Building Council,*

*(iv) meets or exceeds performance standards or guidelines under the EarthCraft House Program, or*

*(v) is a Home Performance with Energy Star qualified home, the energy efficiency of which meets or exceeds performance guidelines for energy efficiency under the Energy Star program developed by the United States Environmental Protection Agency.*

Find out more, including how to apply for this tax exemption at: [City Code Article V Division 1 Sec. 30-160.1 through Sec. 30-160.11](#)

Application available through the Department of Neighborhood Development Services > Building Permits & Inspections > Incentive Programs: [www.charlottesville.org/Index.aspx?page=3345](http://www.charlottesville.org/Index.aspx?page=3345)

FAQs available at: [www.charlottesville.org/Index.aspx?page=3376](http://www.charlottesville.org/Index.aspx?page=3376)

[Back to Top](#)

## **Tax Exemption and Tax Credit for Solar Energy Equipment, Facilities, and Devices – for Charlottesville Commercial/Non-Residential and Residential Properties**

Owners of real estate in the city to which is attached certified solar energy equipment, facilities or devices are granted an exemption from taxation on such certified solar energy equipment, facilities or devices (e.g. the solar energy equipment, facilities or devices do not change the property's assessed value).



Additionally, a portion of the amounts certified can be credited against the total real estate taxes shown on the land book for the tax year in question (indicated as a credit on the tax tickets of each qualifying property). The amount credited will be calculated by applying the current tax rate to the amount of the purchase and installation costs of the certified solar energy equipment, facilities or devices. The credit applies for five (5) years and becomes effective beginning the first day of the tax year next succeeding the certification by the division of building and life safety and will remain in effect for that tax year and the following four (4) tax years.

**Example:** A property is assessed at \$300,000. A solar system is then installed with \$10,000 of labor and purchased certified solar equipment, facilities or devices. The property's assessed value remains \$300,000.

The property owner submits the application for the solar tax credit and is approved. The credit amount would be equal to  $(\$10,000 \times \text{Tax Rate})$  and will be applied every year for five (5) years. With a tax rate of 0.95%, the solar tax credit for this property would be:  $\$10,000 \times 0.95\% = \$95.00$  annually (\$475 in total over 5 years).

*\* Certified solar energy equipment, facilities or devices means any property, including real or personal property, equipment, facilities or devices, certified by the division of building and life safety to be designed and used primarily for the purpose of providing for the collection and use of incident solar energy for water heating, space heating or cooling or other application which would otherwise require a conventional source of energy such as petroleum products, natural gas or electricity.*

# CITY OF CHARLOTTESVILLE

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Office of The City Manager

P.O. Box 911 • Charlottesville, Virginia 22902

Telephone 434-970-3101

Fax 434-970-3890

www.charlottesville.org



March 13, 2019

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

RE: 2019 Tax Credit Reservation Request  
Friendship Court Phase 1 (Name of Development)  
FC Phase 1 LLC (Name of Owner)

Gentlemen:

The City of Charlottesville maintains a program whereby it provides a grant in an amount equal to the incremental increase in real estate tax assessment of a property through the Charlottesville Economic Development Authority ("CEDA"). Based on your project summary and our review, we believe that Friendship Court Phase 1 (the "Project Property") could qualify under our program with respect to the expected incremental increase in real estate tax assessment due to the development project of the Project Property and we anticipate such an annual grant would last for a term of no less than the 15-year tax credit compliance period. The Ownership will comply will all related requirements as outlined by the Virginia Housing Development Authority, the City of Charlottesville, CEDA, and the Commonwealth of Virginia.

We look forward to Friendship Court's redevelopment.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Murphy", is written over a horizontal line.

Michael Murphy  
Interim City Manager  
City of Charlottesville

R

Documentation of  
Operating Budget

<b>Friendship Court Phase 1 - Average monthly energy cost projection</b>				
	<b>1-BED</b>	<b>2-BED</b>	<b>3-BED</b>	<b>4-BED</b>
<b>HEATING</b>	\$3	\$8	\$4	\$6
<b>AIR-CONDITIONING</b>	\$1	\$2	\$3	\$3
<b>COOKING</b>	\$4	\$4	\$5	\$5
<b>LIGHTING</b>	\$28	\$32	\$36	\$36
<b>HOT WATER</b>	\$11	\$15	\$18	\$20
<b>TOTAL</b>	<b>\$47</b>	<b>\$61</b>	<b>\$66</b>	<b>\$70</b>

# Home Energy Rating Certificate

## Projected Report

Rating Date:  
Registry ID: Unregistered  
Ekotrope ID: yvPe6Kz2

### HERS® Index Score:

# 57

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$532

\*Relative to an average U.S. home

**Home:**  
TBD, Charlottesville, VA 22902

**Builder:**

### Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	1.2	\$40
Cooling	0.5	\$15
Hot Water	4.1	\$132
Lights/Appliances	9.3	\$298
Service Charges		\$81
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>15.1</b>	<b>\$566</b>

**This home meets or exceeds the criteria of the following:**

Energy Star v3  
Energy Star v3.1

### Rating Completed by:

**Energy Rater:** John Semmelhack  
RESNET ID: 4837591

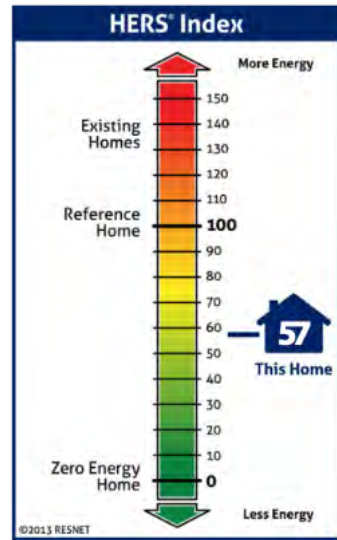
**Rating Company:** Think Little

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



*John Semmelhack*

John Semmelhack, Certified Energy Rater  
Digitally signed: 3/11/19 at 2:15 PM



### Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	743 sq. ft.
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 11.3 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 19.7 SEER
Primary Water Heating:	Water Heater • Electric • 0.95 Energy Factor
House Tightness:	0.3 CFM50 / s.f. Shell Area
Ventilation:	37.0 CFM • 20.0 Watts
Duct Leakage to Outside:	30 CFM25 (4.04 / 100 s.f.)
Above Grade Walls:	R-24
Ceiling:	Adiabatic, R-19
Window Type:	U-Value: 0.3, SHGC: 0.4
Foundation Walls:	N/A



# Home Energy Rating Certificate

## Projected Report

Rating Date:  
Registry ID: Unregistered  
Ekotrope ID: KLZGEbyd

### HERS® Index Score:

# 57

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$727

\*Relative to an average U.S. home

**Home:**  
TBD, Charlottesville, VA 22902

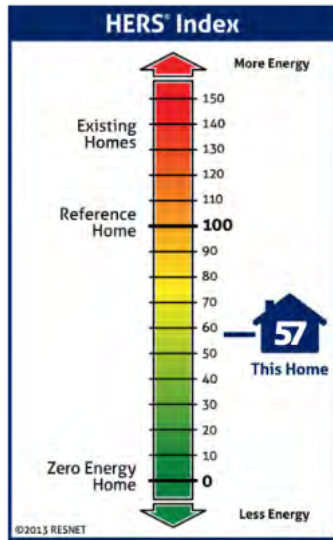
**Builder:**

### Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	3.0	\$97
Cooling	0.7	\$23
Hot Water	5.7	\$182
Lights/Appliances	11.0	\$352
Service Charges		\$81
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>20.4</b>	<b>\$735</b>

**This home meets or exceeds the criteria of the following:**

Energy Star v3  
Energy Star v3.1



### Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	1,018 sq. ft.
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 11.3 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 19.7 SEER
Primary Water Heating:	Water Heater • Electric • 0.95 Energy Factor
House Tightness:	0.3 CFM50 / s.f. Shell Area
Ventilation:	37.0 CFM • 20.0 Watts
Duct Leakage to Outside:	40 CFM25 (3.93 / 100 s.f.)
Above Grade Walls:	R-24
Ceiling:	Adiabatic, R-19
Window Type:	U-Value: 0.3, SHGC: 0.4
Foundation Walls:	N/A

### Rating Completed by:

**Energy Rater:** John Semmelhack  
RESNET ID: 4837591

**Rating Company:** Think Little

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



*John Semmelhack*

John Semmelhack, Certified Energy Rater  
Digitally signed: 3/11/19 at 2:32 PM

# Home Energy Rating Certificate

## Projected Report

Rating Date:  
Registry ID: Unregistered  
Ekotrope ID: B26GJX5L

### HERS® Index Score:

# 54

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$878

\*Relative to an average U.S. home

**Home:**  
TBD, Charlottesville, VA 22902

**Builder:**

### Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	1.4	\$45
Cooling	1.2	\$37
Hot Water	6.8	\$219
Lights/Appliances	13.0	\$415
Service Charges		\$81
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>22.4</b>	<b>\$797</b>

**This home meets or exceeds the criteria of the following:**

Energy Star v3  
Energy Star v3.1

### Rating Completed by:

**Energy Rater:** John Semmelhack  
RESNET ID: 4837591

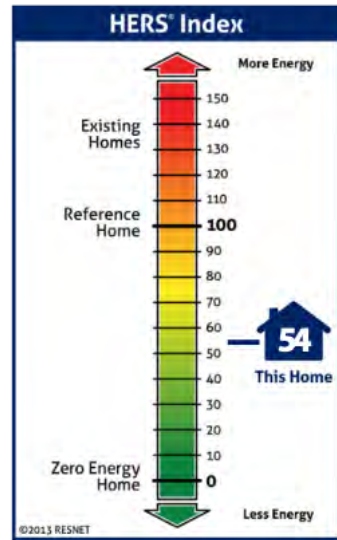
**Rating Company:** Think Little

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



*John Semmelhack*

John Semmelhack, Certified Energy Rater  
Digitally signed: 3/11/19 at 2:33 PM



### Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	1,367 sq. ft.
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 11.3 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 19.7 SEER
Primary Water Heating:	Water Heater • Electric • 0.95 Energy Factor
House Tightness:	0.3 CFM50 / s.f. Shell Area
Ventilation:	37.0 CFM • 20.0 Watts
Duct Leakage to Outside:	54 CFM25 (3.95 / 100 s.f.)
Above Grade Walls:	R-24
Ceiling:	Adiabatic, R-19
Window Type:	U-Value: 0.3, SHGC: 0.4
Foundation Walls:	N/A

# Home Energy Rating Certificate

## Projected Report

Rating Date:  
Registry ID: Unregistered  
Ekotrope ID: MvDekG62

### HERS® Index Score:

# 54

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$977

\*Relative to an average U.S. home

**Home:**  
TBD, Charlottesville, VA 22902

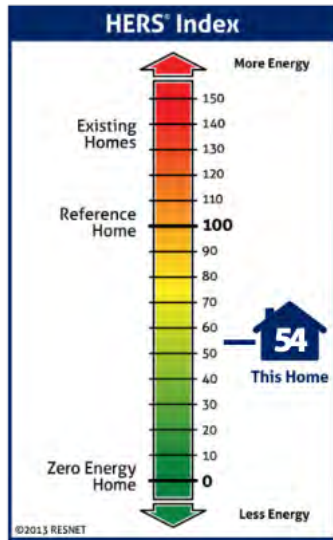
**Builder:**

### Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	2.4	\$72
Cooling	1.3	\$38
Hot Water	8.3	\$243
Lights/Appliances	14.0	\$412
Service Charges		\$81
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>26.0</b>	<b>\$845</b>

**This home meets or exceeds the criteria of the following:**

Energy Star v3  
Energy Star v3.1



### Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	1,504 sq. ft.
Number of Bedrooms:	4
Primary Heating System:	Air Source Heat Pump • Electric • 11.3 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 19.7 SEER
Primary Water Heating:	Water Heater • Electric • 0.95 Energy Factor
House Tightness:	0.3 CFM50 / s.f. Shell Area
Ventilation:	54.0 CFM • 20.0 Watts
Duct Leakage to Outside:	65 CFM25 (4 / 100 s.f.)
Above Grade Walls:	R-24
Ceiling:	Adiabatic, R-19
Window Type:	U-Value: 0.3, SHGC: 0.4
Foundation Walls:	N/A

### Rating Completed by:

**Energy Rater:** John Semmelhack  
RESNET ID: 4837591

**Rating Company:** Think Little

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



*John Semmelhack*

John Semmelhack, Certified Energy Rater  
Digitally signed: 3/11/19 at 3:03 PM

I. UTILITIES

1. Describe the Heating/AC System: Energy Star Electric Heat Pump

2. Services Included:

Utilities	Type of Utility (Gas, Electric, Oil, etc.)	Utilities ▶ Paid by:	Enter Allowances by Bedroom Size				
			0-bdr	1-bdr	2-bdr	3-bdr	4-br
Heating	Electric	Tenant	0	3	8	4	6
Air Conditioning	Electric	Tenant	0	1	2	3	3
Cooking	Electric	Tenant	0	4	4	5	5
Lighting	Electric	Tenant	0	28	32	36	36
Hot Water	Electric	Tenant	0	11	15	18	20
Water		Tenant	0	3	8	11	15
Sewer		Tenant	0	5	9	14	18
Trash		Owner	0	0	0	0	0
Total utility allowance for costs paid by tenant			\$0	\$55	\$78	\$91	\$103

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

- a. FALSE HUD
- b. FALSE Utility Company (Estimate)
- c. FALSE Utility Company (Actual Survey)
- d. FALSE Local PHA
- e. TRUE Other: Certified HERS Rater

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

The HERS Rater provided utility allowances table for the items that are powered by electricity. The property will be submetered for water and sewer, and that is noted on the plans. The water and sewer allowance is based upon actual water and sewer costs paid by Friendship Court Apartments in 2018 and adjusted for unit size at the proposed development. See attached 12-31-18 income statement showing YTD actuals (in red box on page 2) for supporting detail

## COMPARATIVE OPERATING STATEMENT

### Friendship Court

	Current Period			Year-To-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
	Dec 2018	Dec 2018		Dec 2018	Dec 2018	

**RENTAL INCOME:**

5120-0000	Apartment Rent	47,454	30,683	16,771	454,897	365,437	89,460
5121-0000	Resident Assistance Payme	134,096	97,488	36,608	1,283,511	1,161,099	122,412
5120-0100	Gain/Loss to Lease	1	0	1	(26)	0	(26)
<b>Total Potential Rent</b>		181,551	128,171	53,380	1,738,382	1,526,536	211,846

**ADJUSTMENTS TO POTENTIAL**

5220-0000	Vacancy - Apartments	(3,903)	(1,028)	(2,875)	(35,258)	(12,338)	(22,920)
5220-0100	Special Claims Revenue	0	1	(1)	0	12	(12)
1130-0000	Tenant Rec./Beg. (Ending)	4,164	0	4,164	4,465	0	4,465
1130-0000	Tenant Rec./Beg. (Ending)	(8,289)	0	(8,289)	(8,289)	0	(8,289)
1141-0000	Subsidy Rec-Beg. (End	193,303	0	193,303	6,780	0	6,780
1141-0000	Subsidy Rec-Beg. (End	(196,384)	0	(196,384)	(196,384)	0	(196,384)
2210-0001	Prep. Rent/(Beg.) Ending	(1,771)	0	(1,771)	(1,614)	0	(1,614)
2210-0001	Prep. Rent/(Beg.) Ending	2,557	0	2,557	2,557	0	2,557
2210-0099	Prepaid Sect.8	(3,838)	0	(3,838)	(1,157)	0	(1,157)
2210-0099	Prepaid Sect.8	5,915	0	5,915	5,915	0	5,915
5251-0000	Concessions To Tenants	(1,326)	(61)	(1,265)	(8,970)	(734)	(8,236)
6370-0000	Bad Debts Expense	0	(329)	329	(28)	(3,950)	3,922
5970-1000	Collection Agency Fee	0	0	0	(545)	0	(545)
<b>Total Adjustments to Potential</b>		(9,572)	(1,417)	(8,154)	(232,527)	(17,010)	(215,517)
<b>Net Rental Income</b>		171,979	126,753	45,226	1,505,855	1,509,526	(3,671)

**FINANCIAL INCOME:**

5410-0000	Interest Revenue-Project	327	44	282	2,064	533	1,531
5440-0000	Interest Revenue-RepRes	23	149	(126)	2,597	1,785	812
<b>Total Financial Income</b>		350	193	157	4,661	2,319	2,343

**OTHER INCOME/SERVICE INCOME:**

5920-0000	NSF And Late Charge Incom	324	341	(17)	2,968	4,089	(1,121)
5921-0000	Legal Fees	0	288	(288)	1,867	3,460	(1,593)
5930-0000	Damage And Cleaning Fee I	369	288	81	5,222	3,458	1,764
5970-0000	Collection Income	0	296	(296)	0	3,553	(3,553)
5996-1000	Subsidy Recovery Fee	0	4	(4)	90	54	36
<b>Total Other/Service Income</b>		693	1,218	(525)	10,147	14,613	(4,467)
<b>TOTAL INCOME</b>		173,022	128,164	44,858	1,520,663	1,526,458	(5,796)

**ADMINISTRATIVE EXPENSES:**

6210-0000	Advertising	27	27	0	374	324	(50)
6250-0000	Other Renting Expenses	0	112	112	848	1,348	500
6311-0000	Office Supplies Expense	352	275	(77)	2,328	3,300	972
6311-0500	Printing Reproduction	77	300	223	3,290	3,603	312
6311-0600	Shipping/Postage	209	183	(26)	1,790	2,197	407
6320-0000	Management Fee	6,988	5,107	(1,881)	61,856	60,829	(1,027)
6325-1000	Management Fee	413	417	4	5,000	5,000	0
6340-0000	Legal & Coll. Expense	0	818	818	4,182	9,822	5,640
6350-0000	Audit Expense	250	0	(250)	10,500	9,975	(525)
6351-0500	Software/Tech Support	18	0	(18)	330	227	(103)
6351-5000	RealPage Services Expense	1,617	563	(1,054)	5,136	6,756	1,620
6360-1000	Telephone Expenses	645	375	(270)	3,795	4,500	705
6360-2000	Telephone Answering Servi	199	97	(103)	1,074	1,162	88
6390-5000	Meals	0	0	0	24	0	(24)

## COMPARATIVE OPERATING STATEMENT

### Friendship Court

	Current Period			Year-To-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
	Dec 2018	Dec 2018		Dec 2018	Dec 2018	
6390-6000 Admin Travel Exp	908	160	(747)	1,004	1,922	918
6390-7000 Training	79	199	120	2,066	2,387	321
6377-0000 Profess.Dues & Subscri	0	0	0	227	0	(227)
6390-1000 Misc Admin Exp	462	143	(320)	3,760	1,712	(2,049)
6390-2000 Bank Service Charges	97	113	16	1,663	1,352	(311)
<b>Total Administrative Expenses</b>	<b>12,342</b>	<b>8,889</b>	<b>(3,453)</b>	<b>109,247</b>	<b>116,415</b>	<b>7,168</b>
<b>PAYROLL EXPENSE</b>						
6310-0000 Office Salaries	4,661	4,570	(91)	49,541	50,411	870
6330-0000 Managers Salary	7,037	6,934	(103)	60,249	60,147	(103)
6540-1000 Repairs Payroll	9,792	11,252	1,460	116,695	122,276	5,581
6711-0000 Project Payroll Taxes	1,576	1,763	187	18,179	19,556	1,377
6712-0000 Payroll Processing Fee	103	101	(2)	1,246	1,212	(34)
6722-0000 Workman's Compensation In	303	293	(10)	4,051	3,810	(241)
6723-0000 Employee Benefits	5,845	4,060	(1,785)	49,222	48,720	(502)
<b>Total Payroll Expense</b>	<b>29,318</b>	<b>28,974</b>	<b>(344)</b>	<b>299,183</b>	<b>306,132</b>	<b>6,949</b>
<b>UTILITY EXPENSE:</b>						
6450-0500 Electricity - House Meter	2,531	2,339	(192)	18,337	19,369	1,032
6450-1000 Electricity - Vacant	215	127	(88)	2,016	1,524	(492)
6451-0000 Water	1,364	1,073	(291)	14,452	14,735	283
6453-0000 Sewer	2,147	1,763	(384)	19,000	18,939	(61)
6542-8950 Energy Conservation	0	0	0	400	0	(400)
<b>Total Utility Expenses</b>	<b>6,256</b>	<b>5,302</b>	<b>(954)</b>	<b>54,205</b>	<b>54,567</b>	<b>362</b>
<b>MAINTENANCE EXPENSES</b>						
6515-0500 Janitor Supplies	707	276	(431)	3,331	3,313	(18)
6515-1000 Janitor Uniforms	317	331	14	3,856	3,968	112
6517-0000 Janitor Cleaning Contract	0	25	25	366	298	(68)
6519-0000 Extermination Contract	658	508	(150)	6,430	6,996	566
6520-0000 Extermination Supplies	0	0	0	0	50	50
6525-1000 Trash Removal Contract	3,270	2,224	(1,046)	33,836	26,688	(7,148)
6525-2000 Trash Special Pick Ups	105	300	195	3,178	3,600	422
6530-0700 Monitoring-CCTV	1,810	1,630	(180)	21,768	19,560	(2,208)
6530-1000 Monitoring Contract	5,730	5,800	70	92,430	86,400	(6,030)
6536-0500 Grounds Supplies	0	108	108	3,329	1,298	(2,031)
6536-1000 Grounds Equipment	0	24	24	83	287	204
6537-0500 Grounds Contract	1,811	1,865	55	19,916	22,384	2,468
6537-1000 Fertilization	0	714	714	8,320	8,568	248
6537-2000 Fencing	0	30	30	0	360	360
6537-4000 Plantings New	0	0	0	1,571	400	(1,171)
6541-0500 R&M Supplies - General	140	1,200	1,060	5,209	14,400	9,191
6541-6000 Glass Supplies	0	34	34	0	414	414
6541-8000 Plumbing Supplies	566	424	(142)	5,241	5,084	(158)
6541-8500 R&M Equipment	0	291	291	439	3,488	3,048
6541-3500 Appliance Parts	1,151	443	(709)	5,814	5,311	(503)
6541-4500 Electrical Supplies	36	186	150	952	2,235	1,283
6542-0500 R&M Contractor - General	2,251	146	(2,105)	35,979	19,960	(16,020)
6542-1000 Plumbing Contractor	473	873	400	8,188	10,473	2,286
6542-2000 Electrical Contractor	0	147	147	180	1,762	1,582
6542-4000 Glass Contractor	736	175	(561)	3,854	2,100	(1,754)

S

Supportive Housing  
Certification

## S. SUPPORTIVE HOUSING CERTIFICATION

The proposed development is not seeking credits from the ASH Pool, so this tab is not applicable for this application.



T

Funding Documentation

March 14, 2019

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

Re: Subsidized Loan Financing Commitment,  
Friendship Court – Phase I, VHDA #2019-C-90

Ladies and Gentlemen:

Piedmont Housing Alliance and National Housing Trust Communities (collectively, the “Lender”) have approved and hereby issue this commitment (the “Commitment”) to make a permanent loan in the principal amount of up to \$6,940,000 (the “Loan”) to FC Phase I LLC, a Virginia limited liability company, and its successors and assigns (the “Company”) to provide financing for the Friendship Court – Phase I, VHDA Number 2019-C-90 (the “Project”).

The Loan will bear interest at a rate not to exceed the four percent (4.0%) for a term of thirty (30) years or a longer period as necessary to be coterminous with the senior debt. The Loan is a residual receipts loan with payments of principal and interest made out of a portion of cash flow.

The Company will comply with all requirements and restrictions in its application for financing from the Virginia Housing Development Authority. The Lender hereby consents to reliance on this Commitment by the Virginia Housing Development Authority in connection with their review of the application for a reservation of low income housing tax credits for the Project.

We are looking forward to working with you.

Sincerely,



---

Sunshine Mathon  
Executive Director, Piedmont Housing Alliance



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Kevin White  
Vice President, NHT Communities

CITY OF CHARLOTTESVILLE

*"To be One Community Filled with Opportunity"*

Office of The City Manager

P.O. Box 911 • Charlottesville, Virginia 22902

Telephone 434-970-3101

Fax 434-970-3890

www.charlottesville.org



February 22, 2019

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

Re: Financing Commitment, Friendship Court – Phase 1

Ladies and Gentlemen:

The City of Charlottesville, Virginia (the “City”) hereby issues its commitment (the “Commitment”) to make grants up to the amount of \$5,940,000 (the “Grant”) to Piedmont Housing Alliance and NHT Communities and its successors and assigns (the “Partnership”) to provide financing for the Friendship Court – Phase 1 (the “Project”).

The Partnership will comply with all requirements and restrictions in its application for financing from the Virginia Housing Development Authority. The City hereby consents to reliance on this Commitment by the Virginia Housing Development Authority in connection with their review of the application for a reservation of low income housing tax credits for the Project.

We are looking forward to working with you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael Murphy', is written over the printed name.

Michael Murphy  
Interim City Manager  
City of Charlottesville

**RESOLUTION**

**Financial Resolution Supporting Friendship Court  
Parcel Number: 280112000**

**NOW, THEREFORE BE IT RESOLVED** by the Council of the City of Charlottesville, Virginia that it hereby commits up to \$5,940,000 in the form of grants for the redevelopment of Friendship Court Phase I subject to Piedmont Housing Alliance satisfying the conditions of a Memorandum of Understanding agreed to by the City and the Piedmont Housing Alliance. The commitment of up to \$5,940,000 will help to subsidize Phase I which in turn will create approximately 106 newly constructed affordable housing units in the City of Charlottesville. This commitment will be made to Piedmont Housing Alliance and NHT Communities.

Approved by Council  
March 4, 2019



---

Kyna Thomas  
Clerk of Council

March 6<sup>th</sup>, 2019

Mr. Sunshine Mathon  
Executive Director  
Piedmont Housing Alliance  
682 Berkmar Circle  
Charlottesville, VA 22901

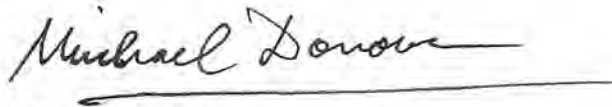
**RE: Foundation Support of Friendship Court – Phase 1  
Letter of Intent**

Dear Sunshine:

Please consider this letter as confirmation of The Donovan Foundation's unrestricted gift to support Friendship Court's redevelopment efforts. Our gift of \$1,000,000 will be used to support all aspects of the redevelopment of Friendship Court Phase 1.

We look forward to seeing the Friendship Court Community vision come to reality over the next several years and are grateful for the opportunity to support this important community endeavor to provide high quality affordable housing and opportunities of the City of Charlottesville both today and in the future.

Sincerely,

A handwritten signature in black ink that reads "Michael Donovan". The signature is written in a cursive style and is positioned above a solid horizontal line.

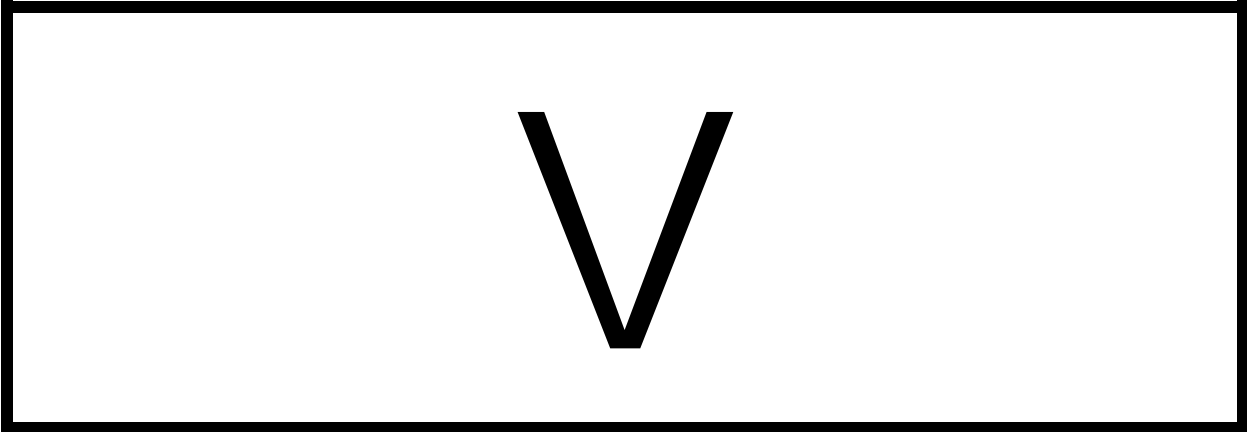
Michael Donovan  
The Donovan Foundation

U

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

U. DOCUMENTATION TO REQUEST EXCEPTION TO  
RESTRICTION-POOLS WITH LITTLE/NO INCREASE IN RENT  
BURDENED POPULATION

This tab is not applicable for this application.



V

Nonprofit or LHA Purchase  
Option or Right of First  
Refusal



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**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

Klein Hornig LLP  
1325 G Street NW, Suite 770  
Washington, DC 20005  
Attn: Erik T. Hoffman

RIGHT OF FIRST REFUSAL AND PURCHASE OPTION AGREEMENT

This Agreement (this "*Agreement*") is made as of March 11, 2019 by and between FC Phase 1 LLC, a Virginia limited liability company (the "*Company*"), and Piedmont Housing Alliance, a Virginia nonstock corporation ("*Grantee*").

**RECITALS**

- A. FC Phase 1 Managing Member LLC, a Virginia limited liability company, as the managing member ("*Managing Member*"), and Grantee as the non-managing member (together with any successor or replacement member(s), "*Investor Member*"), are entering into that Operating Agreement of the Company dated on or about the date hereof (the "*Company Agreement*") which governs the operations of the Company; and
- B. The Company was formed for the purpose of acquiring, owning or leasing, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a residential project, including all improvements, rights, fixtures, personalty, reserves established therefor, located in the City of Charlottesville, Virginia (the "*Project*") on a parcel of land described on the attached Exhibit A; and
- C. The Company desires to give, grant, bargain, sell and convey (i) the Refusal Right (defined below) to Grantee or such other governmental or qualified Section 501(c)(3) organization as may be designed by the Grantee, and (ii) the Purchase Option (defined below) to Grantee, on the terms and subject to the conditions set forth in this Agreement.

**AGREEMENT**

1. Grant of Refusal Right. In the event the Company determines to sell, transfer, assign or ground lease all or substantially all of the Company's interest in the Project (a "*Proposed Sale*"), or if the Company receives an offer to purchase the Project which offer the Company intends to accept (which acceptance will not require the approval of the Investor Member) and such offer merely must contain the purchase price and basic terms of the proposed sale to be considered bona fide or acceptable (the "*Offer*"), Grantee will have a right of first refusal to purchase the Project (the "*Refusal Right*") for a period of thirty-six (36) months (the "*Refusal Right Period*") following (i) Grantee's receipt of the Disposition Notice (defined below) and (ii) the expiration of the Compliance Period (as defined in Section 42 of the Internal Revenue Code ("*Code*")), on the terms and conditions set forth in this Agreement and subject to the conditions precedent to exercise of the Refusal Right specified below. A Proposed Sale will be subject to the approval of the Investor Member, which approval will not be unreasonably conditioned, delayed, or denied and such review will be solely based on confirmation of the Refusal Purchase Price defined in Section 2 hereof. The Managing Member shall have the right to cause the Company to market the Project beginning one year prior to the expiration of the Compliance Period and no consent from the Investor Member shall be required in connection with same. Prior to accepting any Offer or Proposed Sale (the term "sale" hereafter including any transfers or ground leases as aforesaid), the Company will deliver to

the Managing Member, Investor Member, and Grantee written notice of such Offer or Proposed Sale (a "*Disposition Notice*"), which Disposition Notice will state the price, the proposed use of the Project, the seller financing offered, if any, and all other material terms of the sale, and, if a written contract or offer has been signed, a copy of the same will be delivered with the Disposition Notice. The Investor Member's failure to object in writing to the Proposed Sale within ten (10) days after its receipt of the Disposition Notice, will be deemed consent to such transaction. In addition to all other applicable conditions set forth in this Agreement, (a) the foregoing grant of the Refusal Right will be effective only if Grantee is currently a governmental entity or qualified nonprofit organization as defined in Section 42(h)(5)(c) of the Code, and remains such at all times as of (i) the date that the Refusal Right has been exercised and the resulting purchase and sale has been closed or (ii) the date that the Refusal Right has been assigned to a Permitted Assignee (defined below), and (b) any assignment of the Refusal Right permitted under this Agreement and the Refusal Right so assigned will be effective only if the assignee is at the time of the assignment and remains at all times thereafter, until the Refusal Right has been exercised and the resulting purchase and sale has been closed, a Permitted Assignee described in Paragraph 7 hereof. The Company will not accept any Offer or consummate a Proposed Sale unless and until the Refusal Right has expired without exercise or has been waived by Grantee.

2. Refusal Right Purchase Price. The purchase price for the Project (the "*Refusal Purchase Price*") pursuant to the Refusal Right will be the lesser of:
  - 2.1. the price in the Disposition Notice, provided such price is not less than the fair market value of the Project subject to all restrictive covenants or other agreements regarding use of the Project as affordable housing, any such appraisal to be made by an MAI appraiser with at least five years' experience appraising affordable multifamily rental properties who is selected by Grantee ("*Qualified Appraiser*"), or
  - 2.2. the greater of (A) the sum of the principal amount of outstanding indebtedness secured by the Project (other than indebtedness incurred within the 5-year period ending on the closing on the sale of the Project) and all Federal, state and local taxes attributable to such sale; or (B) the outstanding indebtedness of the Company in connection with the Project, including principal, interest, trade payables and all other amounts due under all outstanding loans on the date of sale plus \$1.00, less the amount of the Company's cash accounts (operating accounts, escrows, reserves, and deposits) and receivables. Clause (A) is intended to comply with and be interpreted and calculated consistently with the provisions of Section 42(i)(7)(B) of the Code. In the absence of formal IRS guidance or legal precedents to the contrary, the phrase "principal amount of outstanding indebtedness" will exclude any accrued interest owed. In the event that accrued interest is determined to be included in the phrase "principal amount of outstanding indebtedness," then, in the absence of formal IRS guidance or legal precedent to the contrary, the phrase "other than indebtedness incurred with the 5-year period ending on the Closing Date" will include any accrued interest incurred in the 5-year period ending on the Closing Date that remains unpaid as of that date. The Company agrees to accept Grantee's computation of the amount described in this Paragraph 2.2 if the method of computation is supported by an opinion of a national or regional law firm with recognized expertise in matters relating to Section 42 of the Code.
3. Exercise of Refusal Right. In the event that Grantee elects to exercise the Refusal Right, it will give the Company written notice of its intent to exercise the Refusal Right (the "*Refusal Notice*") and will specify a date for delivery of the deed that is not less than ninety (90) days and no more than two hundred seventy (270) days after the Grantee's delivery of the Refusal Notice. Subject to the prior consent of all lenders necessary so that such assumption does not violate any of the Project loan documents ("*Required Consent*"), Grantee may pay all or a portion of the Refusal Purchase

Price by assuming all or any portion of the existing indebtedness of the Company. The Company agrees upon request of Grantee to use its best efforts to obtain the Required Consent.

4. Grant of Option to Purchase. The Company hereby grants to Grantee an option (the "*Purchase Option*") to purchase the Project for a period of sixty (60) months following the expiration of the Compliance Period, on the terms and conditions and subject to the conditions precedent specified in this Agreement.
5. Purchase Option Purchase Price. The purchase price for the Project (the "*Purchase Option Price*") pursuant to the Purchase Option will be the fair market value of the Project, as determined by an appraisal conducted by a Qualified Appraiser, using the income capitalization method of valuation, and assuming that the rent restrictions and any other restrictive covenants in effect during the Compliance Period will remain in effect in perpetuity.
6. Exercise of Option. In the event that Grantee elects to exercise the Purchase Option, it will give the Company written notice thereof (the "*Option Notice*") and will specify a date for delivery of the deed not less than ninety (90) days and no more than two hundred seventy (270) days after the Grantee's delivery of the Option Notice. Subject to obtaining the Required Consent, Grantee may pay all or a portion of the Purchase Option Price by assuming all or any portion of the existing indebtedness of the Company. The Company agrees upon request of Grantee to use its best efforts to obtain the Required Consent.
7. Assignment. Grantee may assign all or any of (1) its Refusal Rights under this Agreement to (a) a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the code, (b) a government agency, or (c) a tenant organization (in cooperative form or otherwise) or resident management corporation of the Project (each of the foregoing, a "*Permitted Assignee*") or (2) its Purchase Option rights under this Agreement or any right to any alternative purchase described in Section 9 below to a Permitted Assignee or another assignee that agrees to maintain the Project as low-and moderate-income housing. Prior to any assignment or proposed assignment of its rights hereunder, Grantee will give written notice thereof to the Company and the Managing Member. Upon any permitted assignment hereunder, references in this Agreement to Grantee will mean the Permitted Assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Agreement and so assigned. No assignment of Grantee's rights hereunder will be effective unless and until the Permitted Assignee enters into a written agreement accepting the assignment and assuming all of Grantee's obligations under this Agreement and copies of such written agreement are delivered to the Company and the Managing Member. Except as specifically permitted in this Agreement, Grantee's rights hereunder will not be assignable.
8. Contract and Closing. If necessary, the Company and Grantee will enter into a written contract for the purchase and sale of the Project in accordance with this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Project is located. Such contract will permit sufficient time to apply for the so-called nine per cent (9%) tax credits, and if unsuccessful, determine if tax exempt bond financing with four per cent (4%) tax credits is feasible during the financial feasibility period and sufficient time to close on such financing or alternative financing in the sole discretion of the Grantee. The following provisions will apply to any sale of the Project pursuant to the Refusal Right or Purchase Option granted hereunder:
  - 8.1. the place for the delivery of the deed or other recorded transfer documents will be the land records of the proper local jurisdiction of the Commonwealth of Virginia or such other location as is mutually acceptable to the Grantee and the Company.

- 8.2. in any sale pursuant to this Agreement, the Project will be conveyed in “as is” condition, with all defects, and the Company will have no obligation to make any repairs or improvements in connection with such sale.
  - 8.3. Upon receipt of an Option Notice or Refusal Notice from the Grantee exercising the Purchase Option or Refusal Right, the Company will promptly provide to the Grantee an abstract of title or registered property abstract to the Project, certified to a current date to include, without limitation, proper searches covering bankruptcies, judgments, and state and federal liens. At the closing, the Company will deliver to the Grantee a good and sufficient Special Warranty Deed conveying good and clear record and marketable title to the Project, subject only to those liens and encumbrances set forth on the abstract of title, subject to liens in favor of such lenders whose debt is to be assumed and to such other encumbrances which do not materially interfere with the use of the Project as affordable residential housing. At the closing, the parties will make equitable adjustments for items as are typically adjusted in connection with the transfer of multifamily housing such as the Project.
  - 8.4. Exercise of the Purchase Option or Refusal Right by the Grantee will operate to terminate and extinguish any purchase agreement between the Company and any other party or parties thereto, and such other party or parties will thereupon have no right or interest whatsoever in the Project or any part thereof or in the agreement between the Company and the Grantee formed by the exercise of the Purchase Option or Refusal Right.
  - 8.5. In the event Grantee does not exercise its Refusal Right and the Project is disposed of to a different party or for different consideration or on any different terms from those stated in the Disposition Notice or Offer, then any such disposition by the Company will be null and void and the Project will continue to be subject to the Refusal Right and Purchase Option.
  - 8.6. In the event that the Company fails to offer the Project to the Grantee as set forth above, whoever may then hold title will convey the Project forthwith to the Grantee, upon demand, for the same consideration that the Grantee would have had to pay had the offer been properly made. Such demand of the Grantee upon the then title holder will be made within sixty (60) days after receipt by the Grantee of actual notice that a transfer of the Project has been completed. Constructive notice by recording or otherwise will not constitute such actual notice.
9. Alternative Purchases. In addition to the foregoing and notwithstanding the foregoing:
- 9.1. If the Internal Revenue Service hereafter issues public authority to permit the owner of a low-income housing tax credit project to grant a “right of first refusal to purchase partner interests” pursuant to Section 42(i)(7) of the Code (or other applicable provision) as opposed to a “right of first refusal to purchase the Project” without adversely affecting the status of such owner as owner of its project for federal income tax purposes, then Grantee may, at its election, in lieu of a direct acquisition of the Project pursuant to the Refusal Right, acquire the interests (but not less than all of such interests) of the Investor Member for a purchase price equal to the Refusal Purchase Price as calculated under Paragraph 2, or such lesser price permitted by the Code, less any transaction costs, broker fees, or related expenses that would have been incurred in conjunction with a sale of the Project; or
  - 9.2. If the Internal Revenue Service hereafter issues public authority to permit the owner of a low-income housing tax credit project to grant a (i) “purchase option to purchase the Project” pursuant to Section 42(i)(7) of the Code (or other applicable provision) as opposed to a “right of first refusal to purchase the Project” without adversely affecting the status of such owner

as owner of its project for federal income tax purposes, then Grantee may, at its election, purchase the Project for a purchase price equal to the amount calculated under Paragraph 2, or such lesser price permitted by the Code, or (ii) a “purchase option to purchase partner interests” pursuant to Section 42(i)(7) of the Code (or other applicable provision) as opposed to a “right of first refusal to purchase the Project” without adversely affecting the status of such owner as owner of its project for federal income tax purposes, then Grantee may, at its election, acquire the interests (but not less than all of such interests) of the Investor Member for a purchase price equal to the amount calculated under Paragraph 2, or such lesser price permitted by the Code; or

- 9.3. Grantee may, at its election, in lieu of a direct acquisition of the Project pursuant to the Purchase Option, acquire the interests (but not less than all of such interests) of the Investor Member in the Company (the “*Investor Member Interests*”). Grantee and the Investor Member will exercise their best efforts in good faith to agree on the purchase price for the Investor Member Interests. If the parties fail to agree, with respect to the Purchase Option, the fair market value of Investor Member Interests will be determined by an appraisal, which appraisal will take into account the value of the Project appraised as low-income housing to the extent continuation of such use is required under the Project documents and any discounts customarily applied to similar types of member interests, including any applicable restrictions on transfer or marketability of such interests, any such appraisal to be made by a Qualified Appraiser, and shall be reduced by any transaction costs, broker fees, or related expenses that would have been incurred in conjunction with a sale of the Project.

10. Miscellaneous.

- 10.1. The Company agrees to insert reference to this Agreement in any deed, ground lease, or other instrument for conveyance or transfer of the Project, provided, however, that the enforceability of this Agreement will not be affected by a failure to insert a reference to this Agreement in any such deed, ground lease or other instrument.
- 10.2. In no event will the Refusal Right or Purchase Option or a sale after a purchase pursuant to such Purchase Option or Refusal Right be exercised so as to restrict ownership, use or occupancy of the Project because of race, creed, color, sex, religion, or national origin or any other basis prohibited by law.
- 10.3. This Agreement will be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Virginia and may not be amended other than by an agreement in writing signed by an authorized representative of the party to be charged therewith and recorded with the land records.
- 10.4. If any of the provisions of this Agreement, or the application thereof to any person or circumstance will, to any extent, be invalid or unenforceable, the remainder of this Agreement and its application to other persons or circumstances will not be affected thereby and each of the other provisions of this Agreement will be valid and enforceable to the fullest extent permitted by law.
- 10.5. The term of this Agreement will be ninety years commencing on the date first written above unless sooner terminated pursuant to the provisions hereof. This Agreement and the Refusal Right and Purchase Option herein granted are covenants running with the land and the terms and provisions hereof will be binding upon, inure to the benefits of and be enforceable by the parties hereto and their respective successors and assigns.

- 10.6. Notwithstanding anything in this Agreement to the contrary, the value of any cash reserves of the Project will not be included in determining the purchase price of the Project or the Partnership Interest.
- 10.7. If the Grantee elects to acquire the Partnership Interest of the Investor Member, then where the context so requires, references to a “sale” of the Project and delivery of a “deed” will mean a sale of the Partnership Interest and delivery of any necessary member interest conveyance documents.
11. Counterparts. This Agreement may be executed in separate counterparts or counterpart signature pages, which together will constitute a single agreement. PDF, TIF, facsimile, or other electronic images of signatures will be deemed originals for all purposes.
12. Defined Terms. The capitalized terms used in this Agreement will have the definitions provided for in the Partnership Agreement unless otherwise specified in this Agreement.
13. Headings. This Agreement’s headings are for convenience of reference and are not intended to qualify the meaning of any provision or covenants in this Agreement.
14. Recitals. The Recitals to this Agreement are hereby incorporated by this reference and made part of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[Signature page to Right of First Refusal and Purchase Option Agreement]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

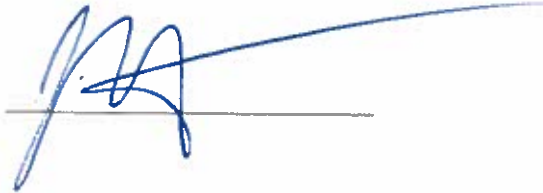
WITNESS:

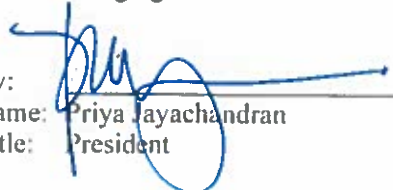
COMPANY:

**FC PHASE 1 LLC,**  
a Virginia limited liability company

BY: **FC PHASE 1 MANAGING MEMBER LLC,**  
a Virginia limited liability company,  
its Managing Member

BY: **NHT Communities,**  
a District of Columbia nonprofit corporation,  
its Co-Managing Member



By:   
Name: Priya Jayachandran  
Title: President

AND

By: **Piedmont Housing Alliance,**  
a Virginia nonstock corporation,  
its Co-Managing Member



By:   
Name: Sunshine Mathon  
Title: Executive Director

[Notary Acknowledgements Follow]

[Signature page to Right of First Refusal and Purchase Option Agreement]

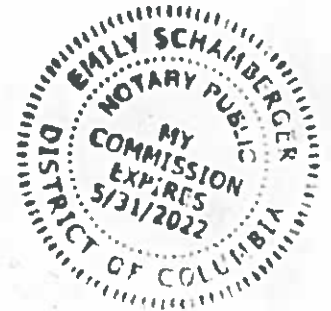
DISTRICT OF COLUMBIA )  
 :  
 )

I, the undersigned, a Notary Public in and for said District of Columbia, hereby certify that Priya Jayachandran, whose name as President of NHT Communities, a District of Columbia nonprofit corporation, a Co-Managing Member of FC Phase I Managing Member LLC, a Virginia limited liability company, the Managing Member of FC Phase I LLC, a Virginia limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, (s)he as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 13<sup>th</sup> day of March, 2019.

Emily Schamberger  
[NOTARIAL SEAL] Emily Schamberger Notary Public

My Commission Expires: 5-31-22



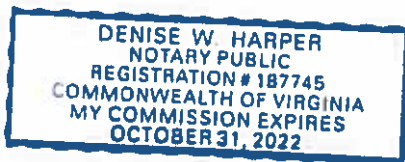
COMMONWEALTH OF VIRGINIA )  
 COUNTY OF Albemarle )

I, the undersigned, a Notary Public in and for said County in said Commonwealth, hereby certify that Sunshine Mathon, whose name as Executive Director of Piedmont Housing Alliance, a Virginia nonstock corporation, a Co-Managing Member of FC Phase I Managing Member LLC, a Virginia limited liability company, the Managing Member of FC Phase I LLC, a Virginia limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, (s)he as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 11<sup>th</sup> day of March, 2019.

Denise W. Harper  
[NOTARIAL SEAL] Denise W. Harper Notary Public

My Commission Expires: 10-31-22





[Signature page to Right of First Refusal and Purchase Option Agreement]

GRANTEE:

**PIEDMONT HOUSING ALLIANCE,**  
a Virginia nonstock corporation

By:   
Name: Sunshine Mathon  
Its: Executive Director

COMMONWEALTH OF VIRGINIA )  
COUNTY OF Albemarle )

I, the undersigned, a Notary Public in and for said County in said Commonwealth, hereby certify that Sunshine Mathon, whose name as Executive Director of Piedmont Housing Alliance, a Virginia nonstock corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, (s)he as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 11<sup>th</sup> day of March 2019.

  
\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

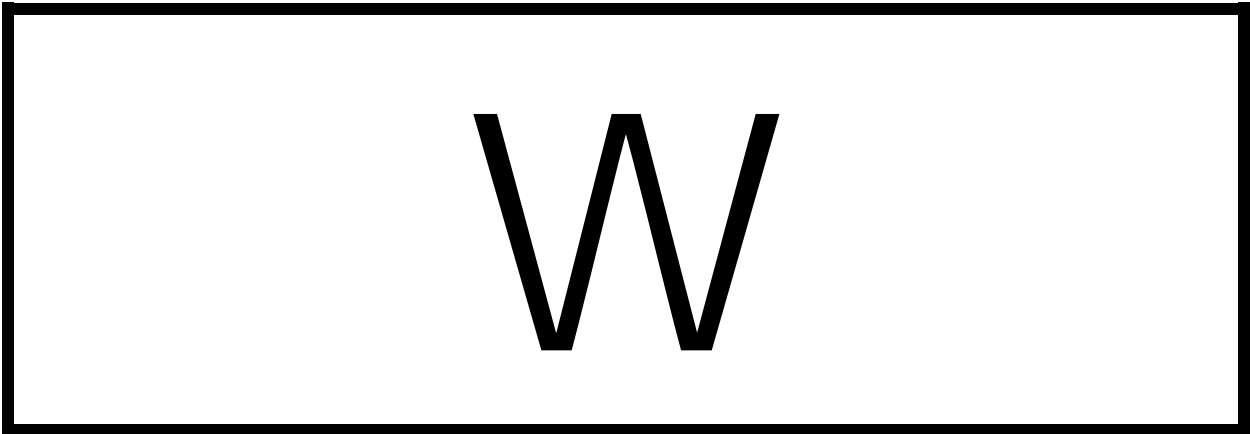
DENISE W. HARPER  
NOTARY PUBLIC  
REGISTRATION # 187745  
COMMONWEALTH OF VIRGINIA  
MY COMMISSION EXPIRES  
OCTOBER 31, 2022

My Commission Expires: 10-31-22

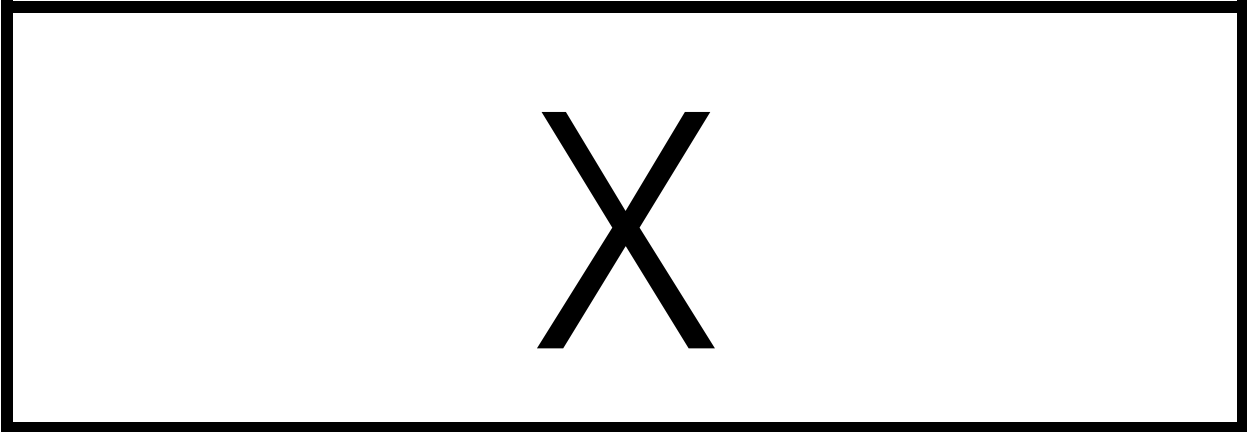
Exhibit A  
**LEGAL DESCRIPTION**

Property Description for Phase 1 of Friendship Court Redevelopment  
February 27, 2019

Friendship Court Redevelopment Phase 1 is a parcel of land comprising approximately 3.87 acres, being the easternmost portion (the "Phase 1 Parcel") of a larger tract of real property lying within the City of Charlottesville, Virginia, owned by NHTE Piedmont Garrett Square Limited Partnership ("NHTE Piedmont Garrett Square LP, and described in the tax records of the City of Charlottesville as Tax Parcel 280112000, NHTE Piedmont Garrett Square LP having taken title to the real property by deed recorded in the office of the Clerk of Circuit Court of Charlottesville, Virginia in Deed Book 876 at Page 72, the real property being more particularly described by the following metes and bounds: beginning at a pk nail found along the west line of 6th Street, S.E. north of its intersection with Monticello Avenue, said point being the point of beginning, thence departing 6th Street, S.E. and with the northwest radial arc of its intersection with Monticello Avenue along a curve to the right, with a chord bearing north 85° 35' 39" east 49.68', having a radius of 30.00' and a length of 58.53' to a pk nail found; thence with the north line of Monticello Avenue the following courses: north 38° 30' 49" west 120.51' to an iron rod found; along a curve to the right, with a chord bearing north 30° 09' 56" west 127.22, having a radius of 438.12' and a length of 127.67' to a point; along a curve to the left, with a chord bearing north 30° 09' 56" west 176.00', having a radius of 606.12' and a length of 176.62' to a point; north 38° 30' 49" west 287.33' to an iron rod found; thence departing Monticello Avenue, and with the northeast radial arc of its intersection with 2nd Street, S.E. along a curve to the right, with a chord bearing north 09° 45' 15" west 28.87', having a radius of 30.00' and a length of 30.12' to an iron rod found; thence with the east line of 2nd Street, S.E. the following courses: north 19° 00' 20" east 361.37' to an iron rod found; north 19° 00' 20" east 100.00' to an iron rod found; thence departing 2nd Street, S.E., and with the southeast radial arc of its intersection with Garrett Street, along a curve to the right, with a chord bearing north 64° 55' 52" east 28.74', having a radius of 20.00' and a length of 32.06' to an iron rod found; thence with the south line of Garrett Street the following courses: south 69° 08' 27" east 164.46' to a pk nail found; along a curve to the right, with a chord bearing north 64° 29' 53" east 260.59', having a radius of 1608.89' and a length of 260.87' to a point; south 59° 51' 10" east 356.35' to a pk nail found; thence departing Garrett Street and with the southwest radial arc of its intersection with 6th Street, S.E., along a curve to the right, with a chord bearing south 13° 42' 28" east 28.84', having a radius of 20.00' and a length of 32.22' to an iron rod found; thence with the west line of 6th Street, S.E., the following courses: south 32° 26' 15" west 100.00' to a pk nail found; south 32° 26' 15" west 509.21' to an iron rod found; south 29° 42' 07" west 186.95' to the point of beginning, and containing 11.771 acres, more or less, as shown on a boundary survey exhibit by Timmons Group dated February 27, 2019.



(Reserved)



X

# Marketing Plan

For units meeting accessibility requirements of HUD section

504

## EXHIBIT X

### MARKETING PLAN FOR ACCESSIBLE UNITS

#### Friendship Court Phase 1

#### **OWNER'S INTENT**

Friendship Court Phase 1 proposes to include twelve (12) accessible units for people in need of rental housing with full accessibility under Section 504 of the Rehabilitation Act of 1972. The accessible units will be held vacant for a minimum of sixty (60) days during which ongoing marketing efforts will be documented. During this time Alliance Management, acting as agent for the ownership, will actively market these units. If a qualified household is not identified during this period, Alliance Management will submit evidence of marketing to VHDA's Program Compliance Officer and request approval to rent the unit to any income-qualified household. If the request is approved, the lease will contain a provision that the household must move to a vacant unit if a household including a person with a disability applies for the unit. The move will be paid for by the Owner.

#### **IMPLEMENTATION OF OWNER'S INTENT**

Alliance Management, the Management Agent, will rent accessible units only to qualified households, unless granted permission to lease to other income-qualified households by VHDA after the initial 60 day marketing effort has concluded. Focused marketing efforts will occur as well as normal routine marketing strategies, to ensure qualified individuals are aware of the availability of accessible units.

#### **CONCENTRATED MARKETING EFFORTS**

**VirginiaHousingSearch.com** - Alliance Management will post Friendship Court Phase 1 Apartments on the virginiahousingsearch.com website. We will communicate the fact that development has Section 504 accessible units.

**Virginia Department of Medical Assistance Services (DMAS) or Virginia Department of Behavioral Health and Development (DBHDS)** - Alliance Management will work through the lease up process to establish a referral process with both agencies. Alliance Management will continue after the lease up phase to inform both agencies on upcoming phases and rental opportunities at Friendship Court Phase 1.

**Local Hospitals** – Alliance Management will work with both area Health Systems (University of Virginia Health System and Martha Jefferson Sentara) as well as smaller clinics and doctors' offices and their discharge departments to advise them of the local accessible and available units at Friendship Court Phase 1.

**Local Housing Authorities** – Alliance Management will work continually with local Housing Authorities to communicate to them about available Section 504 accessible units at Friendship Court.

**Local Non-profits**- Alliance Management will work to keep all non-profit agencies that work with residents of Friendship Court and all Friendship Court redevelopment phases aware of all Section 504 accessible units available for rent.

**Local Department of Social Services** – Alliance Management will keep in contact with Albemarle County and the City of Charlottesville’s Department of Social Services. Through this contact, Alliance Management will provide both departments with information about available Section 504 accessible units.

**Region 10 Community Services Board** – Alliance Management will work with Region 10 Community Services Board to set up a referral process for potential residents at Friendship Court Phase 1. This referral process will be ongoing through all phases of the Friendship Court Redevelopment.

**VHDA** – Ensure VHDA representatives charged with accessible unit outreach are aware of the availability of these units at Friendship Court Phase 1.

**Normal Routine Marketing**

**Industry Publications/Newspaper/Internet Advertisements** – Alliance Management will, through their normal process of marketing the property, note the available Section 504 accessible units. Alliance Management will market the units through websites such as Apartments.com and BRAC (Blue Ridge Area Apartment Council).

**Resident Newsletters** – Alliance Management will note available Section 504 accessible units through its periodic newsletters to its entire portfolio under management.

**Referrals** – Alliance Management will work with existing residents across its portfolio to make residents aware of available Section 504 accessible units.

Alliance Management and its affiliate Piedmont Housing Alliance will work collaboratively to make sure that Section 504 accessible units are marketed across the community. This will include the areas mentioned in the marketing plan, but will also work to develop new ways and community relationships to market Section 504 accessible units to the region through the life of the development.