
2020 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

Applications Must Be Received At VHDA No Later Than **12:00 PM**
Richmond, VA Time On **March 12, 2020**

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 2020 LIHTC APPLICATION FOR RESERVATION

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

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

Applications For 9% Competitive Credits

Applicants should submit an electronic copy of the application package prior to the application deadline, which is **12:00 PM** Richmond Virginia time on **March 12, 2020**. 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 only accepts files via our work center sites on Procorem. Contact TaxCreditApps@vhda.com for access to Procorem or for the creation of a new deal workcenter. Do not submit any application materials to any email address unless specifically requested by the VHDA LIHTC Allocation Department staff.

Disclaimer:

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

Entering Data:

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

Please Note:

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

Assistance:

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

VHDA LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	johndavid.bondurant@vhda.com	(804) 343-5725
Sheila Stone	sheila.stone@vhda.com	(804) 343-5582
Stephanie Flanders	stephanie.flanders@vhda.com	(804) 343-5939
Phil Cunningham	phillip.cunningham@vhda.com	(804) 343-5514
Pamela Freeth	pamela.freeth@vhda.com	(804) 343-5563
Aniyah Moaney	Aniyah.moaney@vhda.com	(804) 343-5518

TABLE OF CONTENTS

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

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

2020 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 and Unit by Unit writeup **(MANDATORY)**
- Electronic Copy of the Specifications **(MANDATORY)**
- Electronic Copy of the Existing Condition questionnaire **(MANDATORY if Rehab)**
- Electronic Copy of the Physical Needs Assessment **(MANDATORY at reservation for a 4% rehab request)**
- Electronic Copy of Appraisal **(MANDATORY if acquisition credits requested)**
- Electronic Copy of Environmental Site Assessment (Phase I) **(MANDATORY if 4% credits requested)**
- Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement **(MANDATORY)**
- Tab B: Virginia State Corporation Commission Certification **(MANDATORY)**
- Tab C: Principal's Previous Participation Certification **(MANDATORY)**
- Tab D: List of LIHTC Developments (Schedule A) **(MANDATORY)**
- Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment **(MANDATORY)**
- Tab F: RESNET Rater Certification **(MANDATORY)**
- Tab G: Zoning Certification Letter **(MANDATORY)**
- Tab H: Attorney's Opinion **(MANDATORY)**
- Tab I: Nonprofit Questionnaire **(MANDATORY for points or pool)**
- The following documents need not be submitted unless requested by 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 and Unit Delivery Schedule **(MANDATORY)**
- Tab K: Documentation of Development Location:
- K.1 Revitalization Area Certification
 - K.2 Location Map
 - K.3 Surveyor's Certification of Proximity To Public Transportation
- Tab L: PHA / Section 8 Notification Letter
- Tab M: Locality CEO Response Letter
- Tab N: Homeownership Plan
- Tab O: Plan of Development Certification Letter
- Tab P: Developer Experience documentation and Partnership agreements
- Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property
- Tab R: Documentation of Operating Budget and Utility Allowances
- Tab S: Supportive Housing Certification
- Tab T: Funding Documentation
- Tab U: Documentation to Request Exception to Restriction-Pools With Little/No Increase in Rent Burdened Population
- Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal
- Tab W: Internet Safety Plan and Resident Information Form (if internet amenities selected)
- Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504
- Tab Y: Inducement Resolution for Tax Exempt Bonds

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/9/2020

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: Mark Schwartz
 Chief Executive Officer's Title: County Manager Phone: (703) 228-3218
 Street Address: 2100 Clarendon Blvd, Suite 302
 City: Arlington State: VA Zip: 22201

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Anne Venezia, Acting Housing Director

- 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:

New Construction

or

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

[Hatched Box]

For Tax Exempt Bonds, where are bonds being issued?

[Hatched Box]

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

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)

Name of companion development:

[Blank Line]

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: AHC LP - 30 Arlington View

Developer Name: AHC Inc.

Contact: M/M Ms. First: Haley MI: M Last: Norris

Address: 2230 North Fairfax Drive, Suite 100

City: Arlington St. VA Zip: 22201

Phone: (703) 486-0626 Ext. 1170 Fax: (703) 486-0653

Email address: haley.norris@ahcinc.org

Federal I.D. No. 82-4361699 (If not available, obtain prior to Carryover Allocation.)

Select type of entity: Limited Partnership Formation State: VA

Additional Contact: Please Provide Name, Email and Phone number.
Alan Goldstein, alan.goldstein@ahcinc.org, 703-486-0626 ext. 1116

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

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

Names **	Phone	Type Ownership	% Ownership	
<u>AVT Housing Corporation</u>	<u>(703) 486-0626</u>	<u>General Partner</u>	<u>0.010%</u>	
<u>AHC Inc.</u>	<u>(703) 486-0626</u>	<u>Initial Limited Partne</u>	<u>99.990%</u>	
<u>Walter D. Webdale</u>	<u>(703) 486-0626</u>	<u>President of GP and</u>	<u>0.000%</u>	<i>needs</i>
<u>AHC Inc.</u>	<u>(703) 486-0626</u>	<u>Sole Shareholder of</u>	<u>0.000%</u>	<i>needs</i>
			<u>0.000%</u>	
			<u>0.000%</u>	
			<u>0.000%</u>	

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

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

C. OWNERSHIP INFORMATION

- 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):

Select Type: Option
Expiration Date: 12/31/2021

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.

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

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

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

b. TRUE Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 12/31/2021 .

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: AHC Service Corporation (land) / AHC Limited Partnership - 3 (improvements)

Address: 2230 North Fairfax Drive, Suite 100

City: Arlington St.: VA Zip: 22201

Contact Person: Haley Norris Phone: (703) 486-0626

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

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

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

<u>Names</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
Westover Housing Associates, Inc.	(703) 486-0626	Limited Partner	99.99%
Arlington View Terrace Housing Corp	(703) 486-0626	General Partner	0.01%
AHC Inc.	(703) 486-0626	Owner of LP	0.00%
Walter D. Webdale	###	Owner of LP & GP, Sole Direc	0.00%
			0.00%
			0.00%
			0.00%

*needs ownership %
needs ownership %*

2020 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: Erik Hoffman This is a Related Entity. FALSE
Firm Name: Klein Hornig LLP
Address: 1325 G Street, NW, Suite 770, Washington, DC 20005
Email: ehoffman@kleinhornig.com Phone: (202) 842-0125
2. Tax Accountant: Debbie Norris This is a Related Entity. FALSE
Firm Name: Hertzbach & Company, P.A.
Address: 800 Red Brook Blvd, Suite 300, Owings Mills, MD 21117
Email: dnorris@hertzbach.com Phone: (410) 363-3200
3. Consultant: Ryne Johnson This is a Related Entity. FALSE
Firm Name: Astoria, LLC Role: Tax credit consultant
Address: 3450 Lady Marian Court, Midlothian, VA 22204
Email: rynejohnson@astoriallc.com Phone: (804) 320-0585
4. Management Entity: Michael Werner This is a Related Entity. TRUE
Firm Name: AHC Management LLC
Address: 1501 Lee Highway, Suite 303, Arlington, VA 22209
Email: michael.werner@ahcinc.org Phone: (703) 271-8400
5. Contractor: Omar Black This is a Related Entity. FALSE
Firm Name: Harkins Builders Inc.
Address: 10490 Little Patuxent Parkway Suite 400, Columbia MD 21044
Email: oblack@harkinsbuilders.com Phone: (410) 480-4248
6. Architect: Lee Quill This is a Related Entity. FALSE
Firm Name: Cunningham Quill Architects
Address: 1054 31st Street NW, Suite 315, Washington, DC 20007
Email: lquill@cunninghamquill.com Phone: (202) 337-0090
7. Real Estate Attorney: Erik Hoffman This is a Related Entity. FALSE
Firm Name: Klein Hornig LLP
Address: 1325 G Street, NW, Suite 770, Washington, DC 20005
Email: ehoffman@kleinhornig.com Phone: (202) 842-0125
8. Mortgage Banker: _____ This is a Related Entity. FALSE
Firm Name: _____
Address: _____
Email: _____ Phone: _____
9. Other: _____ This is a Related Entity. FALSE
Firm Name: _____ Role: _____
Address: _____
Email: _____ Phone: _____

F. REHAB INFORMATION

1. Acquisition Credit Information

- a. Credits are being requested for existing buildings being acquired for development..... FALSE
If no credits are being requested for existing buildings acquired for the development, skip this tab.

- b. This development has received a previous allocation of credits..... FALSE
 If so, in what year did this development receive credits?

- c. The development is listed on the RD 515 Rehabilitation Priority List?..... FALSE

- d. This development is an existing RD or HUD S8/236 development..... 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: Owner

Name: AHC Inc. (Please fit NP name within available space)

Contact Person: Walter D. Webdale

Street Address: 2230 North Fairfax Drive, Suite 100

City: Arlington State: VA Zip: 00002-2201

Phone: (703) 486-0626 Extension: 1120 Contact Email: walter.webdale@ahcinc.o

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: AHC Inc.

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 all units in development	77	bedrooms	154
Total number of rental units in development	77	bedrooms	154
Number of low-income rental units	77	bedrooms	154
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	77	bedrooms	154
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.....		127,476.49	(Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....		25,451.12	(Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....		0.00	
g. Total Usable Residential Heated Area.....		102,025.37	(Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space		100.00%	
i. Exact area of site in acres	1.198		
j. Locality has approved a final site plan or plan of development.....		FALSE	
If True , Provide required documentation (TAB O).			
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits.....		FALSE	

Definition:

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

H. STRUCTURE AND UNITS INFORMATION

2. UNIT MIX

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	738.09	SF	1	1
1BR Garden	886.73	SF	14	14
2BR Garden	1324.88	SF	47	47
3BR Garden	1773.58	SF	15	15
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0
			77	77

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

3. Structures

- a. Number of Buildings (containing rental units)..... 1
- b. Age of Structure:..... 0 years
- c. Number of stories:..... 4
- d. The development is a scattered site development..... FALSE

e. Commercial Area Intended Use: n/a

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>FALSE</u>	v. Detached Single-family	<u>FALSE</u>
ii. Garden Apartments	<u>TRUE</u>	vi. Detached Two-family	<u>FALSE</u>
iii. Slab on Grade	<u>FALSE</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) _____

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

4. Site Amenities (indicate all proposed)

a. Business Center.....	<u>FALSE</u>	f. Limited Access.....	<u>TRUE</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>TRUE</u>	j. Sports Activity Ct..	<u>FALSE</u>
		k. Other:	_____

l. Describe Community Facilities: Community room, laundry facilities, garage parking, courtyard

m. Number of Proposed Parking Spaces..... 64
 Parking is shared with another entity FALSE

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

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

H. STRUCTURE AND UNITS INFORMATION

5. Plans and Specifications

- a. **Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):**
 - i. A location map with development clearly defined.
 - ii. Sketch plan of the site showing overall dimensions of all building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required.
 - iii. Sketch plans of all building(s) reflecting overall dimensions of:
 - a. Typical floor plan(s) showing apartment types and placement
 - b. Ground floor plan(s) showing common areas
 - c. Sketch floor plan(s) of typical dwelling unit(s)
 - d. Typical wall section(s) showing footing, foundation, wall and floor structureNotes 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	1.30%
Project Wide Capture Rate - Market Units	n/a
Project Wide Capture Rate - All Units	1.30%
Project Wide Absorption Period (Months)	3 months

J. ENHANCEMENTS

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

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

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

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

ACTION: Provide RESNET rater certification (**TAB F**)

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

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

- TRUE a. A community/meeting room with a minimum of 749 square feet is provided.
- 39.00% 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).
- TRUE d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products.
- TRUE e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.
- 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. Every kitchen, living room and bedroom contains, at minimum, one USB charging port.
- TRUE q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- 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:

2020 Low-Income Housing Tax Credit Application For Reservation

J. ENHANCEMENTS

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

2. Green Certification

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

The applicant will also obtain one of the following:

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

If Green Certification is selected, no points will be awarded for d. Watersense Bathroom fixtures above.

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

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

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

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

- TRUE a. Architect of record certifies that units will be constructed to meet VHDA's Universal Design standards.
- 77 b. Number of Rental Units constructed to meet VHDA's Universal Design standards:
- 100% % of Total Rental Units

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

If not, please explain: No market rate units



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

2020 Low-Income Housing Tax Credit Application For Reservation

I. UTILITIES

1. Utilities Types:

- a. Heating Type Heat Pump
- b. Cooking Type Electric
- c. AC Type Central Air
- d. Hot Water Type Electric

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

- | | | | |
|-----------------|--------------|----------------------|--------------|
| Water?..... | <u>FALSE</u> | Heat?..... | <u>FALSE</u> |
| Hot Water?..... | <u>FALSE</u> | AC?..... | <u>FALSE</u> |
| Lighting?..... | <u>FALSE</u> | Sewer?..... | <u>FALSE</u> |
| Cooking? | <u>FALSE</u> | Trash Removal? | <u>TRUE</u> |

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	11	14	16	19	0
Air Conditioning	5	6	8	9	0
Cooking	4	5	7	8	0
Lighting	17	22	26	31	0
Hot Water	10	13	15	18	0
Water	7	10	15	20	0
Sewer	14	19	29	38	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$68	\$89	\$116	\$143	\$0

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

- | | |
|---|--|
| a. <u>FALSE</u> HUD | d. <u>FALSE</u> Local PHA |
| b. <u>FALSE</u> Utility Company (Estimate) | e. <u>TRUE</u> Other: <u>Third party utility study</u> |
| c. <u>FALSE</u> Utility Company (Actual Survey) | |

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

K. SPECIAL HOUSING NEEDS

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

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

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

TRUE

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

(ii) will conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and be actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.
(iii) above must include roll-in showers, roll under sinks and front control ranges, unless agreed to by the Authority prior to the applicant's submission of its application.

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

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

(60 points)


FALSE

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

FALSE

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

For items a,b or c, all common space must also conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act.

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

2020 Low-Income Housing Tax Credit Application For Reservation

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..... TRUE

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

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

3. Leasing Preferences

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

Organization which holds waiting list: Arlington County Housing Choice Voucher Program

Contact person: Vanessa Street

Title: Executive Director, Department of Human Services

Phone Number (703) 228-1455

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: 15
% of total Low Income Units 19%

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
- TRUE Other: Arlington County Project-Based Supportive Housing

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? 8

d. Number of units receiving assistance: 8
 How many years in rental assistance contract? 5.00
 Expiration date of contract: 6/1/2028
 There is an Option to Renew..... TRUE

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

L. UNIT DETAILS

1. Set-Aside Election: UNITS SELECTED IN INCOME AND RENT DETERMINE POINTS FOR THE BONUS POINT CATEGORY

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

a. Units Provided Per Household Type:


Income Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
8	10.39%	30% Area Median	240%
0	0.00%	40% Area Median	0%
31	40.26%	50% Area Median	1550%
38	49.35%	60% Area Median	2280%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
77	100.00%	Total	52.86%

Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
8	10.39%	30% Area Median	240%
0	0.00%	40% Area Median	0%
31	40.26%	50% Area Median	1550%
38	49.35%	60% Area Median	2280%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
77	100.00%	Total	52.86%

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

2. Unit Detail FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN UNIT MIX GRID

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


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

Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1 Efficiency	30% AMI	1		501.98	\$569.00	\$569
Mix 2						\$0
Mix 3 1 BR - 1 Bath	30% AMI	1	1	604.96	\$593.00	\$593
Mix 4 1 BR - 1 Bath	30% AMI	2		572.96	\$593.00	\$1,186
Mix 5 1 BR - 1 Bath	50% AMI	2		604.96	\$1,049.00	\$2,098
Mix 6 1 BR - 1 Bath	50% AMI	3		578.23	\$1,049.00	\$3,147
Mix 7 1 BR - 1 Bath	60% AMI	2		572.96	\$1,276.00	\$2,552
Mix 8 1 BR - 1 Bath	60% AMI	1		636.53	\$1,276.00	\$1,276
Mix 9 1 BR - 1 Bath	60% AMI	2	2	604.96	\$1,276.00	\$2,552
Mix 10 1 BR - 1 Bath	60% AMI	1		754.58	\$1,276.00	\$1,276
Mix 11						\$0
Mix 12 2 BR - 1.5 Bath	30% AMI	2		888.23	\$703.00	\$1,406
Mix 13 2 BR - 1.5 Bath	50% AMI	2		888.23	\$1,249.00	\$2,498
Mix 14 2 BR - 1.5 Bath	50% AMI	3		885.06	\$1,249.00	\$3,747
Mix 15 2 BR - 1.5 Bath	50% AMI	1	1	904.35	\$1,249.00	\$1,249
Mix 16 2 BR - 1.5 Bath	50% AMI	5		842.31	\$1,249.00	\$6,245

2020 Low-Income Housing Tax Credit Application For Reservation

L. UNIT DETAILS

Mix 17	2 BR - 1.5 Bath	50% AMI	5		904.44	\$1,249.00	\$6,245
Mix 18	2 BR - 1.5 Bath	50% AMI	2		904.96	\$1,249.00	\$2,498
Mix 19	2 BR - 1.5 Bath	50% AMI	2		930.60	\$1,249.00	\$2,498
Mix 20	2 BR - 1.5 Bath	60% AMI	1		930.60	\$1,522.00	\$1,522
Mix 21	2 BR - 1.5 Bath	60% AMI	3		897.79	\$1,522.00	\$4,566
Mix 22	2 BR - 1.5 Bath	60% AMI	1		977.76	\$1,522.00	\$1,522
Mix 23	2 BR - 1.5 Bath	60% AMI	3		897.83	\$1,522.00	\$4,566
Mix 24	2 BR - 1.5 Bath	60% AMI	3		960.52	\$1,522.00	\$4,566
Mix 25	2 BR - 1.5 Bath	60% AMI	2		904.96	\$1,522.00	\$3,044
Mix 26	2 BR - 1.5 Bath	60% AMI	5		902.54	\$1,522.00	\$7,610
Mix 27	2 BR - 1.5 Bath	60% AMI	5		904.27	\$1,522.00	\$7,610
Mix 28	2 BR - 1.5 Bath	60% AMI	2	1	904.35	\$1,522.00	\$3,044
Mix 29							\$0
Mix 30							\$0
Mix 31	3 BR - 2 Bath	30% AMI	2		1195.54	\$803.00	\$1,606
Mix 32	3 BR - 2 Bath	50% AMI	2		1195.54	\$1,434.00	\$2,868
Mix 33	3 BR - 2 Bath	50% AMI	2	2	1193.69	\$1,434.00	\$2,868
Mix 34	3 BR - 2 Bath	50% AMI	2		1211.73	\$1,434.00	\$2,868
Mix 35	3 BR - 2 Bath	60% AMI	1		1184.92	\$1,750.00	\$1,750
Mix 36	3 BR - 2 Bath	60% AMI	1		1271.78	\$1,750.00	\$1,750
Mix 37	3 BR - 2 Bath	60% AMI	1		1231.50	\$1,750.00	\$1,750
Mix 38	3 BR - 2 Bath	60% AMI	2	1	1193.69	\$1,750.00	\$3,500
Mix 39	3 BR - 2 Bath	60% AMI	2		1211.73	\$1,750.00	\$3,500
Mix 40							\$0
Mix 41							\$0
Mix 42							\$0
Mix 43							\$0
Mix 44							\$0
Mix 45							\$0
Mix 46							\$0
Mix 47							\$0
Mix 48							\$0
Mix 49							\$0
Mix 50							\$0
Mix 51							\$0
Mix 52							\$0
Mix 53							\$0
Mix 54							\$0
Mix 55							\$0
Mix 56							\$0
Mix 57							\$0
Mix 58							\$0
Mix 59							\$0
Mix 60							\$0
Mix 61							\$0
Mix 62							\$0
Mix 63							\$0
Mix 64							\$0
Mix 65							\$0
Mix 66							\$0
Mix 67							\$0
Mix 68							\$0
Mix 69							\$0
Mix 70							\$0
Mix 71							\$0
Mix 72							\$0
Mix 73							\$0

2020 Low-Income Housing Tax Credit Application For Reservation

L. UNIT DETAILS

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
Mix 85							\$0
Mix 86							\$0
Mix 87							\$0
Mix 88							\$0
Mix 89							\$0
Mix 90							\$0
Mix 91							\$0
Mix 92							\$0
Mix 93							\$0
Mix 94							\$0
Mix 95							\$0
Mix 96							\$0
Mix 97							\$0
Mix 98							\$0
Mix 99							\$0
Mix 100							\$0
TOTALS			77	8			\$102,145

Total Units	77	Net Rentable SF:	TC Units	69,383.23
			MKT Units	0.00
			Total NR SF:	69,383.23

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$1,000
2. Office Salaries			\$61,000
3. Office Supplies			\$5,500
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$59,066
<u>5.00% of EGI</u>	<u>\$767.09</u>	Per Unit	
6. Manager Salaries			\$0
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$2,300
9. Auditing			\$12,000
10. Bookkeeping/Accounting Fees			\$3,500
11. Telephone & Answering Service			\$5,500
12. Tax Credit Monitoring Fee			\$2,695
13. Miscellaneous Administrative			\$18,480
Total Administrative			\$171,041
Utilities			
14. Fuel Oil			\$0
15. Electricity			\$37,200
16. Water			\$12,100
17. Gas			\$0
18. Sewer			\$32,500
Total Utility			\$81,800
Operating:			
19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$1,500
21. Janitor/Cleaning Contract			\$11,500
22. Exterminating			\$3,300
23. Trash Removal			\$4,500
24. Security Payroll/Contract			\$8,350
25. Grounds Payroll			\$0
26. Grounds Supplies			\$2,200
27. Grounds Contract			\$12,000
28. Maintenance/Repairs Payroll			\$18,000
29. Repairs/Material			\$14,000
30. Repairs Contract			\$7,700
31. Elevator Maintenance/Contract			\$11,000
32. Heating/Cooling Repairs & Maintenance			\$5,000
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$2,500
35. Decorating/Payroll/Contract			\$7,600
36. Decorating Supplies			\$2,200
37. Miscellaneous			\$5,000
Totals Operating & Maintenance			\$116,350

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$138,557
39. Payroll Taxes	\$7,000
40. Miscellaneous Taxes/Licenses/Permits	\$2,500
41. Property & Liability Insurance	\$57,500
42. Fidelity Bond	\$0
43. Workman's Compensation	\$2,500
44. Health Insurance & Employee Benefits	\$11,200
45. Other Insurance	\$0
Total Taxes & Insurance	\$219,257
Total Operating Expense	\$588,448

Total Operating Expenses Per Unit \$7,642 **C. Total Operating Expenses as % of EGI** 49.79%

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) \$23,100

Total Expenses	\$611,548
-----------------------	------------------

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

2020 Low-Income Housing Tax Credit Application For Reservation

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	3/10/2020	Haley Norris
b. Site Acquisition	4/1/2021	Haley Norris
c. Zoning Approval	1/31/2020	Haley Norris
d. Site Plan Approval	1/31/2020	Haley Norris
2. Financing		
a. Construction Loan		
i. Loan Application	7/1/2020	Haley Norris
ii. Conditional Commitment	10/1/2020	Haley Norris
iii. Firm Commitment	2/1/2021	Haley Norris
b. Permanent Loan - First Lien		
i. Loan Application	7/1/2020	Haley Norris
ii. Conditional Commitment	10/1/2020	Haley Norris
iii. Firm Commitment	2/1/2021	Haley Norris
c. Permanent Loan-Second Lien		
i. Loan Application	5/31/2019	Anne Venezia
ii. Conditional Commitment	2/22/2020	Anne Venezia
iii. Firm Commitment	2/1/2021	Anne Venezia
d. Other Loans & Grants		
i. Type & Source, List	AHC Sponsor Loan	Steve Smith
ii. Application	5/31/2019	Steve Smith
iii. Award/Commitment	10/1/2019	Steve Smith
2. Formation of Owner	1/3/2020	Haley Norris
3. IRS Approval of Nonprofit Status	9/17/1976	Steve Smith
4. Closing and Transfer of Property to Owner	4/1/2021	Haley Norris
5. Plans and Specifications, Working Drawings	6/30/2020	Lee Quill
6. Building Permit Issued by Local Government	3/1/2021	Carlton Miller
7. Start Construction	4/1/2021	Carlton Miller
8. Begin Lease-up	2/1/2023	Michael Werner
9. Complete Construction	4/1/2023	Carlton Miller
10. Complete Lease-Up	7/1/2023	Michael Werner
11. Credit Placed in Service Date	7/1/2023	Haley Norris

O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

Complete cost column and basis column(s) as appropriate

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

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
1. Contractor Cost				
a. Unit Structures (New)	16,629,671	0	0	16,629,671
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	1,980,000	0	0	0
Total Structure	18,609,671	0	0	16,629,671
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	3,598,466	0	0	3,000,000
p. Other Site work	0	0	0	0
Total Land Improvements	3,598,466	0	0	3,000,000
Total Structure and Land	22,208,137	0	0	19,629,671
q. General Requirements	1,605,803	0	0	1,605,803
r. Builder's Overhead (2.3% Contract)	511,927	0	0	511,927
s. Builder's Profit (4.2% Contract)	923,853	0	0	923,853
t. Bonds	615,145	0	0	615,145
u. Building Permits	0	0	0	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: _____	0	0	0	0
y. Other 2: _____	0	0	0	0
z. Other 3: _____	0	0	0	0
Contractor Costs	\$25,864,865	\$0	\$0	\$23,286,399

O. PROJECT BUDGET - OWNER COSTS

MUST USE WHOLE NUMBERS ONLY!

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
2. Owner Costs				
a. Building Permit	300,000	0	0	300,000
b. Architecture/Engineering Design Fee \$10,143 /Unit)	780,992	0	0	780,992
c. Architecture Supervision Fee \$1,503 /Unit)	115,702	0	0	115,702
d. Tap Fees	175,000	0	0	175,000
e. Environmental	30,000	0	0	0
f. Soil Borings	20,000	0	0	20,000
g. Green Building (Earthcraft, LEED, etc.)	10,000	0	0	10,000
h. Appraisal	15,000	0	0	0
i. Market Study	8,000	0	0	0
j. Site Engineering / Survey	225,000	0	0	225,000
k. Construction/Development Mgt	363,375	0	0	363,375
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	111,804	0	0	111,804
n. Construction Interest (5.0% for 24 months)	795,646	0	0	397,823
o. Taxes During Construction	175,000	0	0	0
p. Insurance During Construction	40,000	0	0	0
q. Permanent Loan Fee (2.0%)	183,440	0	0	0
r. Other Permanent Loan Fees	166,420	0	0	0
s. Letter of Credit	50,000	0	0	50,000
t. Cost Certification Fee	0	0	0	0
u. Accounting	50,000	0	0	50,000
v. Title and Recording	200,000	0	0	100,000
w. Legal Fees for Closing	325,000	0	0	162,500
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	143,100			
z. Tenant Relocation	225,000	0	0	0
aa. Fixtures, Furnitures and Equipment	75,000	0	0	75,000
ab. Organization Costs	10,000	0	0	0
ac. Operating Reserve	775,480	0	0	0
ad. Contingency	188,765	0	0	95,000
ae. Security	0	0	0	0
af. Utilities	35,000	0	0	0

O. PROJECT BUDGET - OWNER COSTS

(1) Other* specify: Utility cutoff/remediation	75,000	0	0	0
(2) Other* specify: Dry utility consultant	100,000	0	0	100,000
(3) Other* specify: Construction consultant	300,000	0	0	300,000
(4) Other* specify: Marketing/management st	100,000	0	0	0
(5) Other* specify: Syndicator due diligence	50,000	0	0	0
(6) Other* specify: Tax credit consultant	25,000	0	0	0
(7) Other* specify: Lender fees and due diligen	180,000	0	0	0
(8) Other* specify: Predevelopment cost of cap	100,000	0	0	50,000
(9) Other* specify: Printing/signage	10,000	0	0	0
(10) Other* specify:	0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$6,532,724	\$0	\$0	\$3,482,196
Subtotal 1 + 2 (Owner + Contractor Costs)	\$32,397,589	\$0	\$0	\$26,768,595
3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A)	2,737,140	0	0	2,353,940
4. Owner's Acquisition Costs Land	2,375,000			
Existing Improvements	0	0		
Subtotal 4:	\$2,375,000	\$0		
5. Total Development Costs Subtotal 1+2+3+4:	\$37,509,729	\$0	\$0	\$29,122,535

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:

\$3,211,807

Proposed Development's Cost per Sq Foot
Applicable Cost Limit by Square Foot:

\$276 **Meets Limits**
\$325

P. ELIGIBLE BASIS CALCULATION

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
1. Total Development Costs	37,509,729	0	0	29,122,535

2. Reductions in Eligible Basis

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

3. Total Eligible Basis (1 - 2 above)

0	0	29,122,535
---	---	------------

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

a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>	0	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)	0	8,736,761
c. For Green Certification (Eligible Basis x 10%)		0

Total Adjusted Eligible basis

0	37,859,296
---	------------

5. Applicable Fraction

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

6. Total Qualified Basis

(Eligible Basis x Applicable Fraction)

0	0	37,859,296
---	---	------------

7. Applicable Percentage

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

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

8. Maximum Allowable Credit under IRC §42

(Qualified Basis x Applicable Percentage)
(Must be same as BIN total and equal to or less than credit amount allowed)

\$0	\$0	\$3,407,337
-----	-----	-------------

\$3,407,337	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. Construction Loan	07/01/20	02/01/21	\$15,972,000	TBD
2. Arlington County AHIF	05/31/19	02/22/20	\$7,257,000	Anne Venezia, Arlington County
3. AHC Inc. Sponsor Loan	05/31/19	10/01/19	\$1,148,100	Steve Smith, AHC Inc.
Total Construction Funding:			\$24,377,100	

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

Source of Funds	Date of Application	Date of Commitment	<i>(Whole Numbers only)</i>		Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
			Amount of Funds	Annual Debt Service Cost			
1. VHDA First Trust			\$4,400,000	\$283,545	5.50%	35.00	35.00
2. VHDA REACH			\$2,772,000	\$127,090	2.95%	35.00	35.00
3. VHDA REACH Plus			\$2,000,000	\$78,889	1.95%	35.00	35.00
4. Arlington County AHIF	05/31/19	02/22/20	\$7,257,000		2.00%	0.00	37.00
5. AHC Inc. Sponsor Loan	05/31/19	10/01/19	\$1,148,100		1.00%	0.00	37.00
6.							
7.							
8.							
9.							
10.							
Total Permanent Funding:			\$17,577,100	\$489,524			

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.	Arlington County AHIF	2/22/2020	\$7,257,000
2.	Arlinton County TOAH	2/22/2020	\$984,000
3.			
4.			
5.			
Total Subsidized Funding			\$8,241,000

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	\$4,772,000
g.	HOME Funds	\$0
h.	Other: Arlington County AHIF	\$7,257,000
i.	Other: AHC Inc. Sponsor	\$1,148,100

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: VHDA taxable	\$4,400,000

Grants*

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

Grants

c.	State	
d.	Local	
e.	Other:	

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

Q. SOURCES OF FUNDS

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

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

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

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

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

2020 Low-Income Housing Tax Credit Application For Reservation

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit					
Amount of Federal historic credits	\$0	x Equity \$	\$0.000	=	\$0
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000	=	\$0
b. Equity that Sponsor will Fund:					
i. Cash Investment	\$0				
ii. Contributed Land/Building	\$0				
iii. Deferred Developer Fee	\$850,631	(Note: Deferred Developer Fee cannot be negative.)			
iv. Other:	\$0				
ACTION: If Deferred Developer Fee is greater than 50% of overall Developer Fee, provide a cash flow statement showing payoff within 15 years at TAB A.					
Equity Total	<u>\$850,631</u>				

2. Equity Gap Calculation

a. Total Development Cost	\$37,509,729
b. Total of Permanent Funding, Grants and Equity	- <u>\$18,427,731</u>
c. Equity Gap	\$19,081,998
d. Developer Equity	- <u>\$1,906</u>
e. Equity gap to be funded with low-income tax credit proceeds	\$19,080,092

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	Hudson Housing Capital				
Contact Person:	Kimmel Cameron	Phone:	(703) 403-6012		
Street Address:	630 Fifth Avenue, Suite 2850				
City:	New York	State:		Zip:	10111
b. Syndication Equity					
i. Anticipated Annual Credits					\$2,030,000.00
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)					\$0.940
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					\$2,029,797
vi. Total to be paid by anticipated users of credit (e.g., limited partners)					<u>\$19,080,092</u>
c. Syndication:	Private				
d. Investors:	Corporate				

4. Net Syndication Amount

Which will be used to pay for Total Development Costs	<u>\$19,080,092</u>
---	---------------------

5. Net Equity Factor

Must be equal to or greater than 85%	<u>94.0000009853%</u>
--------------------------------------	-----------------------

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		\$37,509,729
2. Less Total of Permanent Funding, Grants and Equity	-	\$18,427,731
3. Equals Equity Gap		\$19,081,998
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		94.0000009853%
5. Equals Ten-Year Credit Amount Needed to Fund Gap		\$20,299,997
Divided by ten years		10
6. Equals Annual Tax Credit Required to Fund the Equity Gap		\$2,030,000
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		\$3,407,337
8. Requested Credit Amount	For 30% PV Credit:	\$0
	For 70% PV Credit:	\$2,030,000
Credit per LI Units	\$26,363.6364	
Credit per LI Bedroom	\$13,181.8182	
	Combined 30% & 70% PV Credit Requested	\$2,030,000

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

T. CASH FLOW

1. Revenue

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

Total Monthly Rental Income for LIHTC Units		\$102,145
Plus Other Income Source (list):	Miscellaneous	\$1,527
Equals Total Monthly Income:		\$103,672
Twelve Months		x12
Equals Annual Gross Potential Income		\$1,244,064
Less Vacancy Allowance	5.0%	\$62,203
Equals Annual Effective Gross Income (EGI) - Low Income Units		\$1,181,861

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

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

3. Cash Flow (First Year)

a. Annual EGI Low-Income Units	\$1,181,861
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$1,181,861
d. Total Expenses	\$611,548
e. Net Operating Income	\$570,313
f. Total Annual Debt Service	\$489,524
g. Cash Flow Available for Distribution	\$80,789

T. CASH FLOW

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

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	1,181,861	1,205,498	1,229,608	1,254,200	1,279,284
Less Oper. Expenses	611,548	629,894	648,791	668,255	688,303
Net Income	570,313	575,604	580,817	585,945	590,981
Less Debt Service	489,524	489,524	489,524	489,524	489,524
Cash Flow	80,789	86,080	91,293	96,421	101,457
Debt Coverage Ratio	1.17	1.18	1.19	1.20	1.21

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	1,304,870	1,330,967	1,357,587	1,384,738	1,412,433
Less Oper. Expenses	708,952	730,220	752,127	774,691	797,931
Net Income	595,918	600,747	605,460	610,048	614,502
Less Debt Service	489,524	489,524	489,524	489,524	489,524
Cash Flow	106,394	111,223	115,936	120,524	124,978
Debt Coverage Ratio	1.22	1.23	1.24	1.25	1.26

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	1,440,682	1,469,495	1,498,885	1,528,863	1,559,440
Less Oper. Expenses	821,869	846,525	871,921	898,079	925,021
Net Income	618,812	622,970	626,964	630,784	634,419
Less Debt Service	489,524	489,524	489,524	489,524	489,524
Cash Flow	129,288	133,446	137,440	141,260	144,895
Debt Coverage Ratio	1.26	1.27	1.28	1.29	1.30

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

2020 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: 1

FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN BUILDING GRID
DO NOT use the CUT feature

Bldg #	BIN if known	TAX CREDIT UNITS	MARKET RATE UNITS	30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit												
				Street Address 1	Street Address 2	City	State	Zip	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount				
1.		77	0	1420 South Rolfe Street		Arlington	VA	22204	\$0					\$0						\$37,859,296	09/01/23	9.00%	\$3,407,337	
2.									\$0					\$0						\$0				\$0
3.									\$0					\$0						\$0				\$0
4.									\$0					\$0						\$0				\$0
5.									\$0					\$0						\$0				\$0
6.									\$0					\$0						\$0				\$0
7.									\$0					\$0						\$0				\$0
8.									\$0					\$0						\$0				\$0
9.									\$0					\$0						\$0				\$0
10.									\$0					\$0						\$0				\$0
11.									\$0					\$0						\$0				\$0
12.									\$0					\$0						\$0				\$0
13.									\$0					\$0						\$0				\$0
14.									\$0					\$0						\$0				\$0
15.									\$0					\$0						\$0				\$0
16.									\$0					\$0						\$0				\$0
17.									\$0					\$0						\$0				\$0
18.									\$0					\$0						\$0				\$0
19.									\$0					\$0						\$0				\$0
20.									\$0					\$0						\$0				\$0
21.									\$0					\$0						\$0				\$0
22.									\$0					\$0						\$0				\$0
23.									\$0					\$0						\$0				\$0
24.									\$0					\$0						\$0				\$0
25.									\$0					\$0						\$0				\$0
26.									\$0					\$0						\$0				\$0
27.									\$0					\$0						\$0				\$0
28.									\$0					\$0						\$0				\$0
29.									\$0					\$0						\$0				\$0
30.									\$0					\$0						\$0				\$0
31.									\$0					\$0						\$0				\$0
32.									\$0					\$0						\$0				\$0
33.									\$0					\$0						\$0				\$0
34.									\$0					\$0						\$0				\$0
35.									\$0					\$0						\$0				\$0
		77	0					\$0						\$0					\$0				\$0	\$3,407,337

Totals from all buildings

\$0

\$0

\$0

\$37,859,296

\$3,407,337

Number of BINS: 1

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

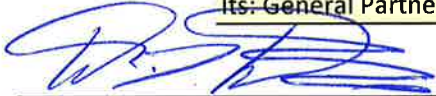
1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless VHDA and its assigns against all losses, costs, damages, VHDA's expenses,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

V. STATEMENT OF OWNER

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

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

Legal Name of Owner: AHC LP - 30 Arlington View
By: AVT Housing Corporation
Its: General Partner

By: 
Its: President
(Title)

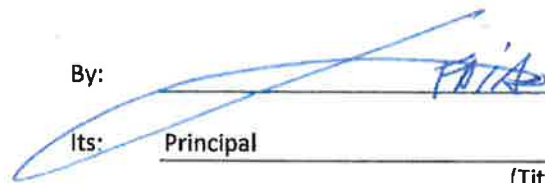
2020 Low-Income Housing Tax Credit Application For Reservation

V. STATEMENT OF ARCHITECT

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

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

Legal Name of Architect:	<u>Lee Quill</u>
Virginia License#:	<u>0401004897</u>
Architecture Firm or Company:	<u>Cunningham Quill Architects</u>

By:  _____
Its: Principal _____ (Title)

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

W. LIHTC SELF SCORE SHEET

Self Scoring Process

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

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

MANDATORY ITEMS:

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

1. READINESS:

a. VHDA notification letter to CEO (via Locality Notification Information Application)	Y	0 or -50	0.00
b. Local CEO Opposition Letter	N	0 or -25	0.00
c. Plan of development	N	0 or 40	0.00
d. Location in a revitalization area based on Qualified Census Tract	N	0 or 10	0.00
e. Location in a revitalization area with resolution	Y	0 or 15	15.00
f. Location in a Opportunity Zone	N	0 or 15	0.00
Total:			15.00

2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	Y	0 or up to 5	4.48
b. Existing RD, HUD Section 8 or 236 program	Y	0 or 20	20.00
c. Subsidized funding commitments	21.97%	Up to 40	40.00
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	0%	0, 20, 25 or 30	0.00
g. Development listed on the Rural Development Rehab Priority List	N	0 or 15	0.00
h. Dev. located in area with little or no increase in rent burdened population	N	Up to -20	0.00
i. Dev. located in area with increasing rent burdened population	Y	Up to 20	20.00
Total:			84.48

2020 Low-Income Housing Tax Credit Application For Reservation

3. DEVELOPMENT CHARACTERISTICS:

a. Amenities	(See calculations below)			56.50
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)		Y20	0, 10 or 20	20.00
f. Development will be Green Certified		Y	0 or 10	10.00
g. Units constructed to meet VHDA's Universal Design standards		100%	Up to 15	15.00
h. Developments with less than 100 units		Y	up to 20	9.20
i. Historic Structure		N	0 or 5	0.00
Total:				<u>170.70</u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$121,300	\$57,400

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		19.48%	Up to 15	14.61
c. Units with rent at or below 30% of AMI and are not subsidized (up to 10% of LI units)		10.39%	Up to 10	10.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)		10.39%	Up to 10	10.00
e. Units with rent and income at or below 50% of AMI		50.65%	Up to 50	50.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI		50.65%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI		50.65%	Up to 50	0.00
Total:				<u>99.61</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	63.29
b. Cost per unit			Up to 100	6.32
Total:				<u>69.61</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: 549.40

2020 Low-Income Housing Tax Credit Application For Reservation

Amenities:

All units have:	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	25	13.50
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>56.50</u>
 All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
		<u>0.00</u>
Total amenities:		<u>56.50</u>

X.

Development Summary

Summary Information

2020 Low-Income Housing Tax Credit Application For Reservation

Deal Name: Arlington View Terrace East

Cycle Type: 9% Tax Credits	Requested Credit Amount: \$2,030,000	
Allocation Type: New Construction	Jurisdiction: Arlington County	
Total Units: 77	Population Target: General	
Total LI Units: 77		
Project Gross Sq Ft: 127,476.49	Owner Contact: Haley Norris	
Green Certified? TRUE		

Total Score
549.40

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$17,577,100	\$228,274	\$138	\$489,524

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$22,208,137	\$288,417	\$174	59.21%
General Req/Overhead/Profit	\$3,041,583	\$39,501	\$24	8.11%
Other Contract Costs	\$615,145	\$7,989	\$5	1.64%
Owner Costs	\$6,532,724	\$84,841	\$51	17.42%
Acquisition	\$2,375,000	\$30,844	\$19	6.33%
Developer Fee	\$2,737,140	\$35,547	\$21	7.30%
Total Uses	\$37,509,729	\$487,139		

Total Development Costs	
Total Improvements	\$32,397,589
Land Acquisition	\$2,375,000
Developer Fee	\$2,737,140
Total Development Costs	\$37,509,729

Income		
Gross Potential Income - LI Units		\$1,244,064
Gross Potential Income - Mkt Units		\$0
Subtotal		\$1,244,064
Less Vacancy %	5.00%	\$62,203
Effective Gross Income		\$1,181,861

Proposed Cost Limit/Sq Ft: \$276
Applicable Cost Limit/Sq Ft: \$325

Rental Assistance? TRUE

Unit Breakdown	
Supp Hsg	0
# of Eff	1
# of 1BR	14
# of 2BR	47
# of 3BR	15
# of 4+ BR	0
Total Units	77

Expenses		
Category	Total	Per Unit
Administrative	\$171,041	\$2,221
Utilities	\$81,800	\$1,062
Operating & Maintenance	\$116,350	\$1,511
Taxes & Insurance	\$219,257	\$2,847
Total Operating Expenses	\$588,448	\$7,642
Replacement Reserves	\$23,100	\$300
Total Expenses	\$611,548	\$7,942

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	8	8
40% AMI	0	0
50% AMI	31	31
60% AMI	38	38
>60% AMI	0	0
Market	0	0

Cash Flow	
EGI	\$1,181,861
Total Expenses	\$611,548
Net Income	\$570,313
Debt Service	\$489,524
Debt Coverage Ratio (YR1):	1.17

Income Averaging? TRUE

Extended Use Restriction? 30

2020 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$335.06** Credits/SF = **19.89701** Const \$/unit = **\$335,907.3377**

TYPE OF PROJECT
LOCATION
TYPE OF CONSTRUCTION

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

11000
100
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	738.09	886.73	1,324.88	1,773.58	0.00	0.00	0.00	0.00
NUMBER OF UNITS	1	14	47	15	0	0	0	0
PARAMETER-(COSTS=>35,000)	283,320	377,760	472,200	554,835	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	283,320	377,760	472,200	554,835	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	283,320	377,760	472,200	554,835	0	0	0	0
PROJECT COST PER UNIT	247,302	297,105	443,909	594,249	0	0	0	0
PARAMETER-(CREDITS=>35,000)	23,292	29,115	38,820	45,614	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	23,292	29,115	38,820	45,614	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	23,292	29,115	38,820	45,614	0	0	0	0
PROJECT CREDIT PER UNIT	14,686	17,643	26,361	35,289	0	0	0	0
COST PER UNIT POINTS	0.17	3.88	3.66	-1.38	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.96	14.33	39.18	8.82	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **6.32**

TOTAL CREDIT PER UNIT POINTS **63.29**

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

Cost Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

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

Credit Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

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

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
283,320	377,760	472,200	554,835	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
283,320	377,760	472,200	554,835	0	0	0	0

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

Credit Parameters - General							
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
23,292	29,115	38,820	45,614	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
23,292	29,115	38,820	45,614	0	0	0	0

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

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

Cost Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

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

Credit Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	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

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283,320	377,760	472,200	554,835	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
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23,292	29,115	38,820	45,614	0	0	0	0
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0	0	0	0	0	0	0	0
23,292	29,115	38,820	45,614	0	0	0	0

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PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
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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

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TOTAL COST PER UNIT POINTS

6.32

TOTAL CREDIT PER UNIT POINTS

63.29

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
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0

Credit Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	0	0	0	0

Cost Parameters - General							
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Parameter - low rise	283,320	377,760	472,200	554,835	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	283,320	377,760	472,200	554,835	0	0	0

Credit Parameters - General							
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Credit Parameter - low rise	23,292	29,115	38,820	45,614	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Credit Parameter	23,292	29,115	38,820	45,614	0	0	0

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

Cost Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0

Credit Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0

Cost Parameters - General							
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Cost Parameter - low rise	283,320	377,760	472,200	554,835	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	283,320	377,760	472,200	554,835	0	0	0

Credit Parameters - General							
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Cost Parameter - low rise	23,292	29,115	38,820	45,614	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	23,292	29,115	38,820	45,614	0	0	0

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Partnership or Operating Agreement

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

AHC LP – 30 ARLINGTON VIEW

Limited Partnership Agreement

This Agreement of Limited Partnership (“*Agreement*”), effective January 3, 2020, is made by AVT Housing Corporation, c/o AHC Inc., 2230 Fairfax Drive, Suite 100, Arlington, Virginia 22201, as general partner (the “*General Partner*”) and AHC Inc., 2230 Fairfax Drive, Suite 100, Arlington, Virginia 22201, as limited partner (the “*Limited Partner*”)

The parties agree to form a limited partnership under the Virginia Revised Uniform Limited Partnership Act (“*Act*”), and on the terms and conditions set forth below.

**Article I
Name of Partnership**

The name of the partnership is AHC LP – 30 Arlington View (the “*Partnership*”)

**Article II
Business of Partnership**

The Partnership was formed for the purpose of engaging in the business of real estate development, and in any other related business that may be agreed on by the partners and permitted by the Act.

**Article III
Certificate of Limited Partnership**

The General Partner executed a certificate of limited partnership on January 3, 2020 and caused the certificate to be filed with the State Corporation Commission of the Commonwealth of Virginia, effective as of January 3, 2020. Any amended certificate(s) that may be required by the laws of Virginia will be executed and filed by the partners as necessary.

**Article IV
Place of Business**

The principal place of business of the partnership will be 2230 Fairfax Drive, Suite 100, Arlington, Virginia 22201 and in any other place or places that may be agreed on by the partners.

**Article V
Contributions - General Partner**

(a) *Contribution to Capital.* The General Partner, as its share will contribute to the capital of the Partnership upon execution of this Agreement as follows:

Name	Cash
AVT Housing Corporation	\$0.01

Article VI
Contributions Limited Partner

(a) *Contribution to Capital.* The Limited Partner, as its share, will contribute to the capital of the Partnership as follows:

Name	Cash
AHC Inc.	\$99.99

(b) *Receipt of Contributions.* Receipt of the capital contributions of the Limited Partner is acknowledged by the Partnership and its members.

(c) *Additional Contributions.* The Limited Partner has not agreed, and will not be required, to contribute as capital any additional cash or property.

Article VII
Duties and Rights of Partners

(a) *General Partner: Conflicting Business Activities.* The General Partner, during the continuance of the Partnership, may not pursue, or become directly or indirectly interested in, any business or occupation which is in conflict either with the business of the Partnership or with the duties and responsibilities of the General Partner to the Partnership.

(b) *Limited Partner: Participation in Conduct of Business.* The Limited Partner will not have any right to be active in the conduct of the Partnership's business, or have power to bind the Partnership in any contract, agreement, promise, or undertaking.

Article VIII
Distribution of Profit

Determination. The General Partner or a successor general partner will have the right, except as subsequently provided, to determine whether Partnership profits will be distributed in cash or will be left in the business, in which latter event the capital account of all partners will be increased.

Article IX
Profit and Loss Sharing by Limited Partner

(a) *Net Profits.* The Limited Partner will receive the following percentage of the net profits of the Partnership:

Name	Percentage of Net Profit
AHC Inc.	99.99%

(b) *Losses, Share.* The Limited Partner will bear a share of the losses of the Partnership equal to the share of the profits to which the Limited Partner is entitled. The share of losses of the

Limited Partner will be charged against the Limited Partner's contribution to the capital of the Partnership.

(c) *Losses; Maximum Liability.* The Limited Partner will at no time become liable for any obligations or losses of the Partnership beyond the amount of its capital contribution.

**Article X
Profit and Loss Sharing by General Partner**

(a) *Profits.* After provision has been made for the percentage of net profits payable to the Limited Partner, all remaining net profits of the partnership business will be received by the General Partner in the following proportions:

Name	Percentage of Remaining Net Profit
AVT Housing Corporation	100%

(b) *Losses.* After giving effect to the share of losses chargeable against the capital contributions of the Limited Partner, the remaining partnership losses will be paid by the General Partner.

**Article XI
Accounting**

(a) *Books of Account To Be Kept.* There will be kept, at all times during the continuance of this Partnership, good and accurate books of account of all transactions, assets, and liabilities of the Partnership. The books will be balanced and closed at the end of each fiscal year, and at any other time on reasonable request of the General Partner.

(b) *Method of Accounting.* All accounts of the Partnership will be kept on the accrual basis. All matters of accounting for which there are no provisions in this Agreement are to be governed by generally accepted methods of accounting,

(c) *Calendar Year Basis.* The profits and losses of the Partnership and its books of account will be maintained on a calendar year basis until otherwise determined by the General Partner.

(d) *Place Where Books To Be Kept; Inspection.* The Partnership books of account will be kept at the principal place of business of the Partnership, and will be open for inspection by any partner at all reasonable times.

(e) *Capital Accounts.* A capital account will be maintained on the Partnership books on behalf of each partner. The account will be credited with that partner's contributions to the capital of the Partnership and will be debited and credited in the manner prescribed in Article XI(f).

(f) *Income Accounts.* An income account will be maintained on the Partnership books on behalf of each partner. The account will be closed to the capital account of each partner at the close of each fiscal year.

As soon as practicable after the close of each fiscal year, and any other times that the partners decide, the income account of each partner will be credited with that partner's distributive share of profits and debited with his or her share of losses.

Any losses to be debited to a partner's income account that exceed the credit balance of the account will be debited to that partner's individual capital account. If, as a result of debiting a partner's individual capital account with the excess losses, the capital account is depleted, future profits of that partner will be credited to the capital account until the depletions have been eliminated.

(g) *Drawing Accounts.* A drawing account, to which withdrawals are to be debited, will be maintained on the Partnership books on behalf of the General Partner. Withdrawals may be made subject to any limitations that the partners may adopt. The drawing account will be closed to the partner's income account at the close of each fiscal year.

Article XII

Substitution, Assignments, and Admission of Additional Partners

(a) *Substitution for Limited Partner; Sale or Assignment of Interest.* The Limited Partner may not, without the written consent of all the other partners, substitute a partner in its place or sell or assign its interest.

(b) *Additional General or Limited Partners.* Upon the written consent of all the partners, additional general or limited partners may be admitted to the Partnership on any terms that may be agreed on in writing between all the partners and any new partners. The agreed on terms will constitute an amendment of this Agreement.

Article XIII

Termination of Interest of Limited Partner; Return of Capital Contribution

(a) *Termination of Interest.* The interest of the Limited Partner may be terminated by (i) dissolution of the Partnership for any reason as provided in this Agreement, or (ii) agreement of all partners.

(b) *Payment on Termination.* On the termination of the interest of the Limited Partner, there will be payable to the Limited Partner the value of its interest, as determined by Article XIII(c), as of the date of termination. Payment will be made within twelve (12) months of the termination of the Limited Partner's interest.

(c) *Value of Limited Partner's Interest.* The value of the Limited Partner's interest in the Partnership will be computed by (i) adding the totals of (a) its capital account, (b) its income account, and (c) any other amounts owed to it by the Partnership; and (ii) subtracting from the amount of the above totals the amount of the totals of all amounts owed by it to the Partnership. For the purposes of valuation, the goodwill of the Partnership business as well as other intangible items will not be valued.

Article XIV
Term of Partnership; Dissolution

(a) *Term; Dissolution.* The Partnership term commenced on January 3, 2020 and will continue for an unstipulated time ending (i) on the dissolution of the Partnership by law, or (ii) on dissolution at any time agreed on by the General Partner.

(b) *Value of Partner's Interest.* The value of the General Partner's interest in the Partnership will be computed by (i) adding the totals of (a) its capital account, (b) its income account, and (c) any other amounts owed to it by the Partnership, and (ii) subtracting from the amount of the above totals the amount of the totals of (a) its drawing account and (b) any amount owed by it to the Partnership.

Article XVI
Amendments

This Agreement, except with respect to vested rights of the partners, may be amended at any time by agreement of the partners.

Article XVII
Binding Effect of Agreement

This Agreement will be binding on the parties to it and their respective heirs, executors, administrators, successors and assigns.

[Signatures on following page]

The parties have executed this Agreement effective as of the date first written above.

GENERAL PARTNER:

AVT HOUSING CORPORATION,
a Virginia corporation

By: 

Walter D. Webdale, President

LIMITED PARTNER:

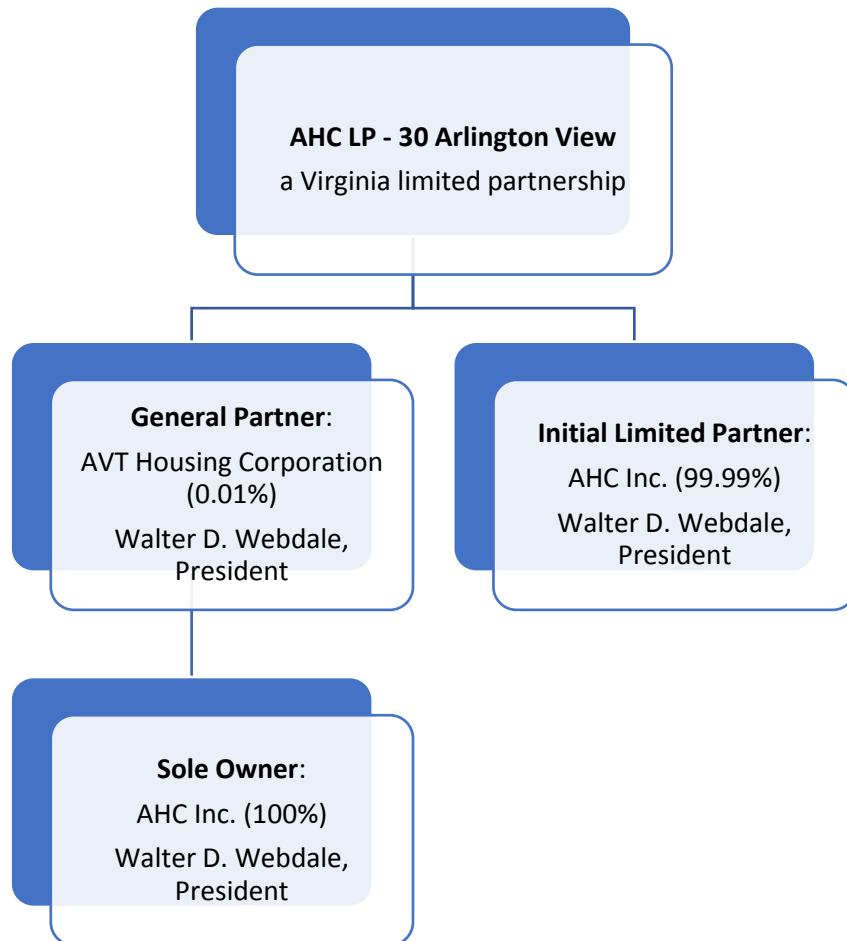
AHC INC.,
a Virginia non-stock corporation

By: 

Walter D. Webdale, President

Arlington View Terrace East

Ownership Org Chart



TAB A

LPA

Developer Fee Agreement

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") made as of _____, 2020 by and between AHC LP – 30 Arlington View, a Virginia limited partnership (the "Partnership") and AHC Inc., a Virginia nonstock corporation (the "Developer").

Recitals

WHEREAS, the Partnership was formed to acquire, construct, develop, improve, maintain, own, operate, lease, dispose of and otherwise deal with an apartment project located in Arlington County, Virginia, known as Arlington View Terrace East (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 Partnership Agreement of the Partnership of even date herewith (the "Partnership Agreement").

WHEREAS, in consideration for such services, the Partnership has agreed to pay to the Developer certain fees computed in the manner started herein

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

Section 1. Development Services.

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

(b) The Developer's services shall be performed in the name and on behalf of the Partnership 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 Partnership 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 Partnership 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 Partnership 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 general partner of the Partnership (the "General Partner") unless the terms, conditions, and parties comply with guidelines issued by the General Partner concerning such agreements;
- (ii) Assist the Partnership 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 Partnership;
 - (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 Partnership 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 Partnership for the design or construction of any improvements;
 - (F) the submission of any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Project;

(G) applying for and maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction of the Project, including, but not limited to, such approvals from the U.S. Department of Housing and Urban Development (“HUD”);

(H) compliance with all terms and conditions applicable to the Partnership or the Project contained in any governmental permit or approval required or obtained for the lawful construction of the Project, including, but not limited to, such approvals from HUD, 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 Partnership;

(J) keeping the Partnership 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 Partnership and which are of a nature generally requested or expected of construction managers or similar owner's representatives on similar projects;

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

(iv) Inspect the progress of the course of construction of the Project, including verification of the materials and labor being furnished to and on such construction so as to be fully competent to approve or disapprove requests for payment made by the Project architect and the general contractor, or by any other parties with respect to the design or construction of the Project, and in addition to verify that the construction is being carried out substantially in accordance with the plans and specifications approved by the Partnership or, in the event construction is not being so carried out, to promptly notify the Partnership;

(v) If requested to do so by the Partnership, perform on behalf of the Partnership all obligations of the Partnership 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 Partnership to the Developer or the Partnership has otherwise notified the Developer in writing of such obligations;

(vi) To the extent requested to do so by the Partnership, prepare and distribute to the Partnership 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 Partnership, 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 Partnership 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 Partnership's expense, obtain and maintain insurance coverage for the Project, the Partnership, 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 Partnership, 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 Partnership;

(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 Partnership 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 Partnership, in accordance with the provisions of this Agreement, shall be at the Partnership's expense. The Developer shall likewise ensure that all agreements between the Partnership 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 Partnership 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 Partnership 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 Partnership;

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

(xiii) Perform earthwork, shoring, and underpinning necessary to build the underground garage level;

(xiv) Develop a concrete retaining wall system to accommodate the grade of the Property and its adjacent hill;

(xv) Install a stormwater management system; and

(xvi) Use its best efforts to 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 Partnership 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 Partnership, obtaining permanent financing, obtaining an investor for the Partnership or leasing up the Project, such matters to be performed or supervised by the General Partner and (ii) any of the following matters unless and until the same has been approved by the Partnership:

(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 Partnership;

(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 Partnership, 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 Partnership;

(c) Making any expenditure or incurring any obligation by or on behalf of the Partnership or the Project involving a sum in excess of \$50,000 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 \$50,000, except for expenditures made and obligations incurred pursuant to and specifically set forth in a construction budget approved by the Partnership (the "Construction Budget") or for such matters as may be otherwise expressly delegated to the Developer by the Partnership;

(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 Partnership; 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 Partnership or otherwise in connection with the Project.

Section 3. Accounts and Records.

(a) The Developer, on behalf of the Partnership, shall keep such books of account and other records as may be required and approved by the Partnership, 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 Partnership, 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 Partnership, 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 Partnership, and shall be available

for and subject to audit, inspection and copying by the Management Agent, the Partnership or any representative or auditor thereof or supervisory or regulatory authority, at the times and in the manner set forth in the Partnership 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 Partnership 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 Partnership 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 Partnership, but shall be borne by the Developer under the terms of this Agreement, provided, however, if the General Partner makes a Development Advance, such Advance shall be repaid as a Completion Loan under the Partnership 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 Million Seven Hundred Thirty-Seven Thousand One Hundred Forty and No/100 Dollars (\$2,737,140.00); or (b) the maximum amount which conforms to the developer fee standards imposed by the Virginia Housing Development Authority.

Any installment of the Development Amount not paid when otherwise due hereunder shall be deferred without interest and shall be paid from next available Net Cash Flow in the priority set forth in the Partnership Agreement; provided, however, that any unpaid balance of the Development Amount shall be due and payable in all events on the thirteenth anniversary of placement in service.

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 Partnership to pay the Development Amount shall not be affected by any change in the identity of the General Partner.

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 Partnership liabilities and obligations arising out of any casualty occurring prior to Final Closing generating insurance proceeds for the Partnership, (vi) fund any Partnership reserves required hereunder or under any of the Project Documents at or prior to Final Closing, (vii) repay and discharge the construction loan from the Project's construction lender(s); 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 limited partner of the Partnership, (iv) the Capital Contributions of the General Partner in the amounts set forth in the Partnership Agreement as of the Initial Closing, and (v) any insurance proceeds arising out of casualties occurring prior to Final Closing. To the extent necessary, the Development Amount may be deferred to ensure there are sufficient Specified Proceeds to pay all Development Costs.

Section 10. Benefit of Agreement.

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

DRAFT

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

PARTNERSHIP:

AHC LP – 30 Arlington View,
a Virginia limited partnership

By: AVT Housing Corporation,
its General Partner

By: _____
Walter D. Webdale, President

DEVELOPER:

AHC Inc.,
a Virginia nonstock corporation

By: _____
Walter D. Webdale, President

B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, January 3, 2020

This is to certify that the certificate of limited partnership of

AHC LP - 30 Arlington View

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

Effective date: January 3, 2020



STATE CORPORATION COMMISSION

Attest:

Joel H. Beck

Clerk of the Commission

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, January 3, 2020

This is to certify that the certificate of incorporation of

AVT Housing Corporation

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

Effective date: January 3, 2020



STATE CORPORATION COMMISSION

Attest:

Joel H. Beck

Clerk of the Commission

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name:

Arlington View Terrace East

Name of Applicant (entity):

AHC LP - 30 Arlington View

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

Walter D. Webdale

Printed Name

February 13, 2020

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: Arlington View Terrace East
 Name of Applicant: AHC LP - 30 Arlington View

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 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

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

#	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609[s] Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Hunters Park of Cherrystone Arlington, VA	AHC Limited Partnership - 5 703-486-0626	Y	74	74	1/6/2005	12/9/2005	N
2	Lansdowne Apartments Baltimore, MD	AHC Limited Partnership - 8 410-685-0366	Y	168	168	7/1/2006	10/9/2008	N
3	Harvey Hall Apartments Arlington, VA	AHC Limited Partnership - 6 703-486-0626	Y	115	100	12/22/2005	7/19/2006	N
4	Kate's Trace Newport News, VA	Kates Trace, LP 703-486-0626	Y	108	108	12/21/2005	5/10/2006	N
5	The Oaks, Triangle, VA	Triangle Partners, LP 919-870-4700	N	58	58	10/4/2005	4/21/2006	N
6	Woods of Victoria Park, Woodbridge, VA	Powells Creek Phase IV LP 703-441-0555	N	48	48	1/23/2004	9/14/2004	N
7	Woodbury North/The Frederick Arlington, VA	AHC Limited Partnership - 7 703-486-0626	Y	108	108	12/1/2007	11/10/2008	N
8	Hollybrook II Condominiums Arlington, VA	AHC Limited Partnership - 12 703-486-0626	Y	98	98	2/1/2007	1/9/2009	N
9	Hollybrook III Condominiums Arlington, VA	AHC Limited Partnership - 16 703-486-0626	Y	50	50	10/1/2007	11/17/2008	N
10	Gates of Ballston Arlington, VA	AHC Limited Partnership - 10 703-486-0626	Y	465	348	10/1/2007	11/17/2008	N
11	Sunset Park Falls Church, VA	AHC Limited Partnership - 15 703-486-0626	Y	90	90	12/15/2007	1/9/2009	N
12	Barclay Greenmount Baltimore, MD	Barclay Greenmount NSA 410-685-0366	Y	139	139	12/1/2007	5/6/2009	N
13	The Shellton Arlington, VA	AHC Limited Partnership - 14 703-486-0626	Y	94	94	1/1/2008	9/18/2009	N
14	The Atlantic at Brook Run Richmond, VA	Brook Run Somerset, LLC 804-248-2205	N	120	120	4/30/2009	9/10/2010	N
15	MonteVerde Apartments Baltimore, MD	MonteVerde Housing Limited Partnership 410-685-0366	Y	301	301	7/1/2009	7/29/2011	N
16	Kirkwood Apartments Baltimore, MD	Kirkwood House Preservation, L.P., 410-685-0366	Y	261	261	2/1/2010	3/3/2011	N
17	Weslover Apartments Arlington, VA	AHC Limited Partnership - 18 703-486-0626	Y	153	115	10/1/2010	9/8/2011	N
18	Macedonia Apartments Arlington, VA	Nauck Development Partners-1 LP 703-486-0626	Y	36	36	4/29/2011	2/14/2012	N
19	The Jordan Arlington, VA	AHC Limited Partnership - 20 703-486-0626	Y	90	90	9/22/2011	7/24/2012	N
20	Hipod Housing (The Athlans, Taylor Square, Key Gardens) Arlington, VA	AHC Limited Partnership - 21 703-486-0626	Y	103	103	9/28/2011	8/20/2012	N
21	Union Rowe Apartments Baltimore, MD	Franklin Square Housing Limited Partnership 685-0366	Y	72	72	4/1/2012	9/20/2013	N
22	Arbor Heights Arlington, VA	AHC Limited Partnership - 22 703-486-0626	Y	198	198	12/31/2013	7/21/2014	N
23	Key's Point 1A Baltimore, MD	O'Donnell Heights 1 Associates L.P., 410-685-0366	Y	76	75	2/2/2014	6/4/2015	N
24	The Shell Apartments Arlington, VA	AHC Limited Partnership - 23 703-486-0626	Y	83	83	12/23/2014	1/15/2016	N
25	Jackson Crossing Alexandria, VA	AHC Limited Partnership - 24 703-486-0626	Y	78	78	12/18/2015	8/2/2016	N
26	Madera Apartments Baltimore, MD	Woodland Apartments LP 703-486-0626	Y	47	47	12/29/2015	3/7/2019	N
27	Woodbury Park Arlington, VA	AHC Limited Partnership - 25 703-486-0626	Y	364	204	1/1/2017	10/5/2017	N
28	Key's Point 1B Baltimore, MD	O'Donnell Heights 2 Associates L.P., 410-685-0366	N	68	68	1/19/2018	11/13/2018	N
29	Saint James Plaza (The Filmore) Alexandria, VA	AHC Limited Partnership - 26 703-486-0626	Y	93	93	3/2/2018	12/4/2018	N
30	Apex East (The Berkeley I) Arlington, VA	AHC Limited Partnership 27-9 703-486-0626	Y	125	100	TBD	TBD	N
31	Apex West (The Berkeley II) Arlington, VA	AHC Limited Partnership 27-4 703-486-0626	Y	131	117	TBD	TBD	N
32	Colonial Village West Arlington, VA	AHC LP 28 - Colonial Village 703-486-0626	Y	70	70	10/26/2018	TBD	N
33	The Spire Alexandria, VA	AHC Limited Partnership - 29 703-486-0626	Y	113	113	TBD	TBD	N
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* Must have the ability to bind the LIHTC entity, document with partnership/operating agreements and use 8823 (see entity/development) for a total of 6.

1st PAGE TOTAL: 4,197 3,827 LIHTC as % of Total Units 91%

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Arlington View Terrace East
 Name of Applicant: AHC LP - 30 Arlington View

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 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

AVT Housing Corporation Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
 Principal's Name: 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"
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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

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Arlington View Terrace East

Name of Applicant: AHC LP - 30 Arlington View

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 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

AHC LP - 30 Arlington View

Controlling GP (CGP) or 'Named' Managing Member of Proposed property? N

Principal's Name:

Member of Proposed property? Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
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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
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LIHTC as % of
Total Units

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Arlington View Terrace East

Name of Applicant: AHC LP - 30 Arlington View

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 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Walter D. Webdale

Controlling GP (CGP) or 'Named' Managing N

Principal's Name:

Member of Proposed property?* Y or N

1	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"
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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.

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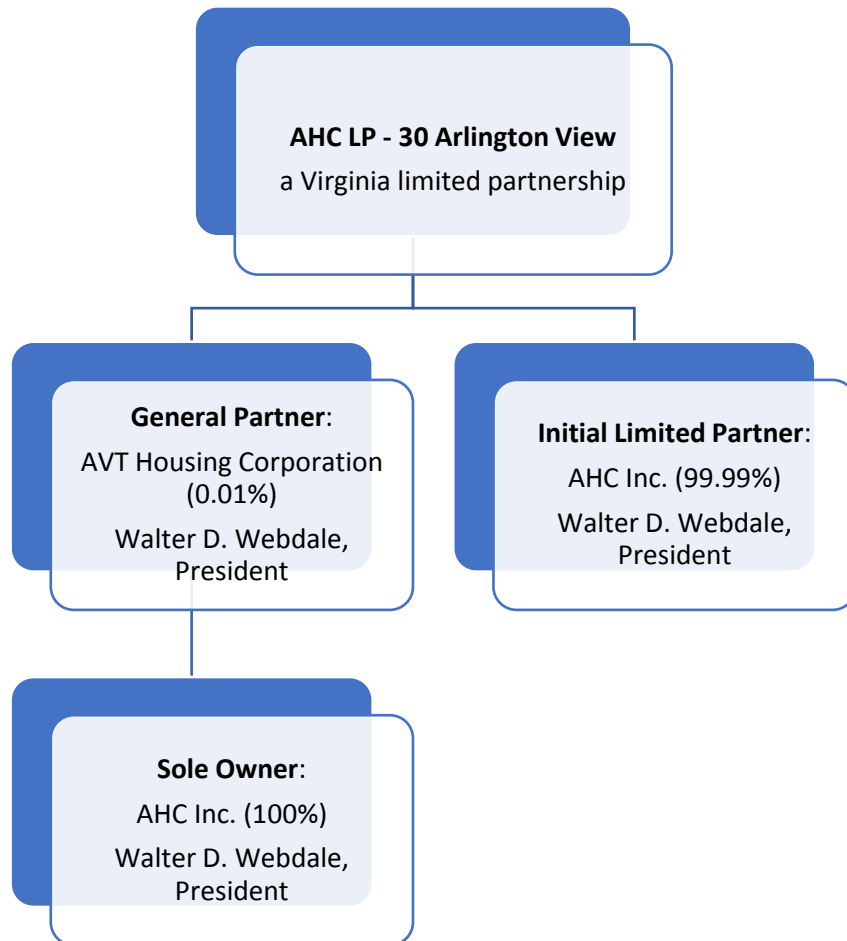
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LIHTC as % of
Total Units

ADD ADDITIONAL PROPERTIES USING NEXT TAB

Arlington View Terrace East

Ownership Org Chart



E

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

- General Information
- Assessments
- Tax Balances
- Improvements
- Sales
- Permits
- Economic Unit
- Resubdivision
- Site Plan/Rezoning
- Archives - Property Card

[Return to Search Results](#)

[New Search](#)

[View Map](#)

[Print](#)

33-006-021

1420 S ROLFE ST ARLINGTON VA 22204

Owner

AHC SERVICE CORP (LAND)
AHC LP-3 (IMPR)

Legal Description

OUTLOT B & PARCS G H I RESUB PT SEC 1 ARLINGTON
VIEW 52173.84 SQ FT

Mailing Address

2230 FAIRFAX DR
ARLINGTON VA22201

Trade Name

ARLINGTON VIEW TERRACE APTS

Year Built

1963

Units

N/A

EU#

3300107A

Property Class Code

311-Apartment - Garden

Zoning

RA8-18

Lot Size

52173

Neighborhood#

880000

Map Book/Page

074-12

Polygon

33006021

Site Plan


N/A

Rezoning

N/A

Tax Exempt

No

QUESTIONS? Contact the Department of Real Estate Assessments at 703-228-3920 or realog2@arlingtonva.us 

- [General Information](#)
- **Assessments**
- [Tax Balances](#)
- [Improvements](#)
- [Sales](#)
- [Permits](#)
- [Economic Unit](#)
- [Resubdivision](#)
- [Site Plan/Rezoning](#)
- [Archives - Property Card](#)

[Return to Search Results](#)

[New Search](#)

[View Map](#)


[Print](#)

33-006-021

1420 S ROLFE ST ARLINGTON VA 22204

Assessment History

Effective Date	Change Reason	Land Value	Improvement Value	Total Value
1/1/2019	01- Annual	\$2,755,400	\$122,600	\$2,878,000
1/1/2018	01- Annual	\$2,755,400	\$236,900	\$2,992,300
1/1/2017	01- Annual	\$2,755,400	\$30,000	\$2,785,400
1/1/2016	01- Annual	\$2,765,200	\$123,000	\$2,888,200
1/1/2015	01- Annual	\$2,608,700	\$216,600	\$2,825,300
1/1/2014	01- Annual	\$2,347,800	\$226,100	\$2,573,900
1/1/2013	01- Annual	\$2,347,800	\$120,400	\$2,468,200
1/1/2012	01- Annual	\$2,347,800	\$64,600	\$2,412,400
1/1/2011	01- Annual	\$1,988,200	\$1,000	\$1,989,200
10/1/2010	05- Review	\$1,988,200	\$1,000	\$1,989,200

QUESTIONS? Contact the Department of Real Estate Assessments at 703-228-3920 or realog2@arlingtonva.us 

OPTION TO PURCHASE PROPERTY

THIS OPTION TO PURCHASE PROPERTY (this “*Agreement*”), effective as of March 10, 2020 (“*Effective Date*”), is made by and between AHC LP – 30 Arlington View, a Virginia limited partnership having an address of 2230 North Fairfax Drive, Suite 100, Arlington, VA 22201 (AHC LP – 30 Arlington View, and its successors and assigns, collectively, “*Buyer*”), and AHC Service Corporation, a Virginia corporation having an address of 2230 North Fairfax Drive, Suite 100, Arlington, VA 22201 (the “*Seller*”).

RECITALS

Seller is the owner of certain real property located in Arlington County, Virginia (“*Land*”). The Land consists of certain parcels of real property. The parties intend that three (3) parcels and one (1) outlot of the Land (Parcel G, Parcel H, Parcel I, and Outlot B, as identified in **Exhibit A**, together, the “*Property*”) be reserved for use and purchase by Buyer. Seller wishes to grant Buyer the option, and Buyer wishes to accept the option, to purchase the Property on the terms and conditions stated below.

Therefore, the parties agree as follows:

AGREEMENT

1. **Grant of Option to Purchase Property.** In consideration of Seller’s receipt of \$10.00 from Buyer (which is hereby acknowledged), Seller hereby grants to Buyer the exclusive right and option to acquire the Property from Seller (“*Option*”) at any time after the Effective Date, and continuing until 5:00 p.m. on December 31, 2021 (the “*Expiration Date*”).

2. **Terms of Purchase and Assumption of Land.** The total acquisition price for the Property will be equal to \$2,375,000 (the “*Purchase Price*”), which amount will be payable as provided by a further agreement to be entered into between the parties if Buyer elects to exercise the Option. Upon exercise of the Option and payment of the Purchase Price, Seller will deed the Property to Buyer, as provided by a further agreement to be entered into between the parties. Title to the Property will be delivered free and clear of all liens and encumbrances. Seller shall deliver the Property after Seller has terminated, with respect to the Property, the current ground lease thereon and after it has caused the demolition of the current improvements thereon, pursuant to an option to purchase the improvements and to assume the lease executed on even date herewith. The parties agree that Seller shall cause any required relocation of tenants with respect to the Property and such ground lease to be accomplished in accordance with the tenant relocation plan attached hereto and made a part hereof as **Exhibit B**. All costs associated with the acquisition of the Property will be borne by the Buyer.

3. **Application of Consideration to Purchase Prices.** If Buyer elects to acquire the Property pursuant to the Option, the consideration paid for the Option will not be applied to the Purchase Price.

4. **Exercise of Option.** Buyer may exercise the Option by giving Seller written notice, signed by Buyer, on or before the Expiration Date.

5. **Proof of Title.** Seller will, at Buyer’s expense, furnish Buyer with a policy of title insurance, written by a title insurer acceptable to Buyer, insuring the title to the Property on terms acceptable to Buyer.

6. **Failure to Exercise Option.** If Buyer does not exercise the Option before the Expiration Date, the Option and the rights of Buyer will automatically and immediately terminate without notice, and Seller will retain the sum paid as consideration for the Option.

7. **Miscellaneous.** Seller shall not market the Property or enter into any contract or option to sell the Property prior to the Expiration Date.

8. **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.

9. **Binding Effect.** This Agreement will be binding upon and inure only to the benefit of the parties to it, including Buyer's successors or assigns.


[signature page follows]

[signature page to Option to Purchase Property]

BUYER:


AHC LP – 30 ARLINGTON VIEW,
a Virginia limited partnership

By: AVT Housing Corporation,
a Virginia corporation,
its general partner

By: 
Name: Walter D. Webdale
Title: President

SELLER:

AHC SERVICE CORPORATION,
a Virginia corporation

By: 
Name: Walter D. Webdale
Title: President

[Consent to Option to Purchase Property]

The undersigned, as lessee of the ground lease on the Property and owner of the improvements thereon, hereby acknowledges, and consents to, the foregoing Option to Purchase Property.

AHC LIMITED PARTNERSHIP – 3,
a Virginia limited partnership

By: Arlington View Terrace Housing Corporation
a Virginia corporation
its managing general partner


By: 
Name: Walter D. Webdale
Title: President

Exhibit A

Property Description

Description of Parcels G, H, and I, Section One, Arlington View, as recorded in Deed Book 1147 at Page 16 and Outlot B, being a portion of vacated 15th Street South, as recorded in Deed Book 1616 at Page 323 among the land records of Arlington County, Virginia and being more particularly described by metes and bounds as follows:

Beginning at a point in the south right-of-way line of 14th Road South, said point being the northwest corner of Lot 70A, Section One, Arlington View as recorded in Deed Book 1442 at Page 342; thence with Lot 70A, S 07°55'03" E, 100.00 feet to a point; thence N 82°04'57" E, 52.42 feet to a point, said point being a corner of Lot 2A; thence with the west line of Lot 2A, the same course continued with the west line of Lot 1, Richard's Addition To Arlington View, as recorded in Deed Book 1308 at Page 186, and Outlot C, being a vacated portion of 15th Street South as recorded in Deed Book 1616 at page 323, S 07°55'03" E, 110.41 feet to a point in the north line of Outlot D, being a vacated portion of 15th Street South as recorded in Deed Book 1616 at page 323; thence with the north line of Outlot D, S 82°02'17" W, 265.17 feet to a point, said point being the southeast terminus of South Rolfe Street; thence with the east right-of-way line of South Rolfe Street, N 12°39'03" W, 207.07 feet to a point at the intersection of the east right-of-way line of South Rolfe Street with the south right-of-way line of 14th Road South; thence with the south right-of-way line of 14th Road South, N 79°45'57" E, 54.85 feet to a point; thence 100.48 feet with the arc curve bearing to the right and having a radius of 2,485.00 feet (chord bearing of N 80°55'27" E and a distance of 100.47 feet a central angle of 02°19'00); thence N 82°04'51" E, 74.58 feet to the point of beginning and containing an area of 52,174 square feet or 1.1977 acres, more or less.

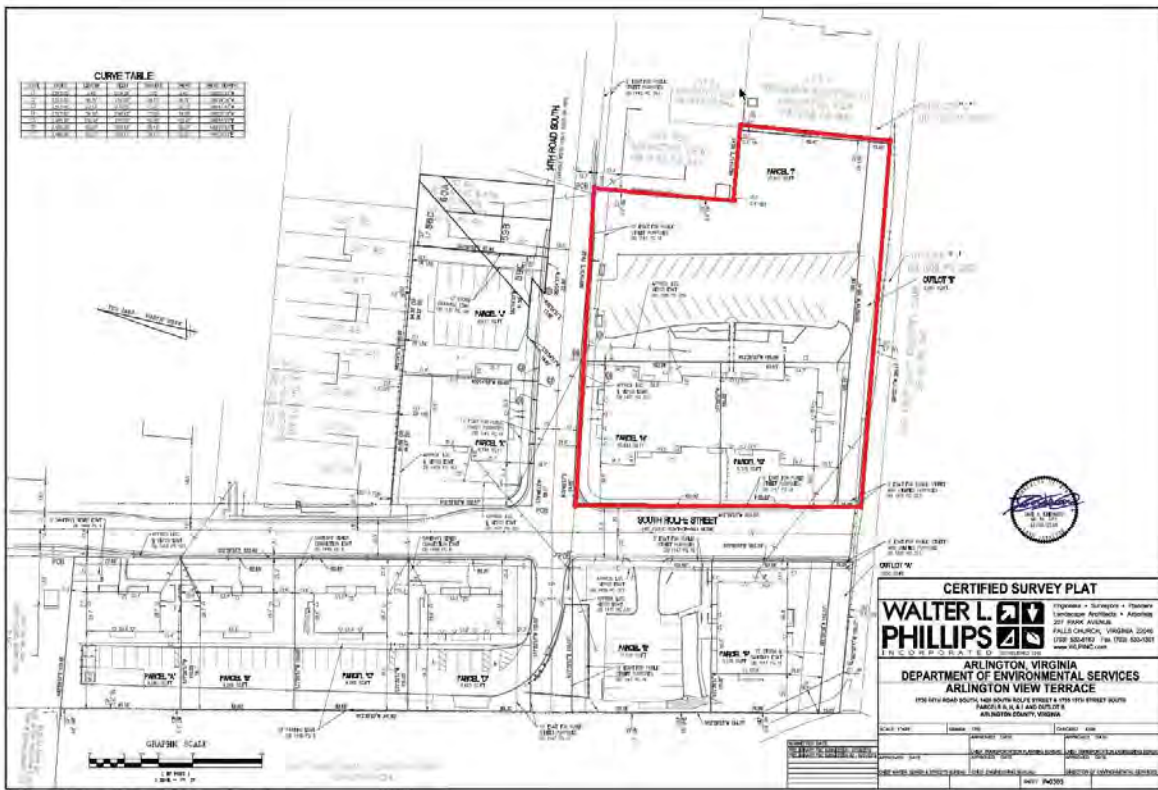


Exhibit B

Tenant Relocation Plan

[Exhibit appears on the next page.]

Relocation Plan

Arlington View Terrace East

AHC Inc.

3/9/20

Table of Contents

OVERVIEW AND RESIDENT PROFILE 5

 Property Profile 5

 Resident Profile 6

 Affordable Apartments 7

OCCUPANCY STANDARDS FOR ALL RESIDENTS 8

RELOCATION OF RESIDENTS 8

 Overview 8

 Moving Assistance For Residents 9

 Payment Schedule for Residents 10

 Summary of Relocation Commitments 11

RETURNING TO ARLINGTON VIEW TERRACE 12

COMMUNICATION WITH RESIDENTS 13

 Meetings 13

 Drop-in and One-On-One Appointments 13

 Additional Information 14

Estimated Schedule for Resident Relocation 15

Anticipated Unit Delivery Schedule 16

Arlington View Terrace East Contact Sheet and Hours of Operation

Relocation Consultant: Housing Opportunities Unlimited

Chris Jones
Project Director
Office/Cell: 804-690-8076
cjones@housingopportunities.com

Jeray Wilson
Relocation Coordinator
Office/Cell (202) 907-7747
jwilson@housingopportunities.com

Office Hours M-F 9-5; evenings and weekends by appointment as requested
Relocation staff office hours to be posted on site when applicable

AHC Management Star Rowell
Community Manager, Arlington View Terrace
Phone: 703-521-4010
Star.rowell@ahcmgmt.com

Andre Chapman
Regional Manager
Phone: 703-271-8400 x 1129
andre.chapman@ahcmgmt.com

Relocation Oversight: Arlington County Office
Hector Mercado
Phone: 703-228-3805
hmerca@arlingtonva.us

Hours of Operation:

Relocation staff person will be available on-site beginning in July 2020.

Monday thru Thursday: TBD

Friday: TBD

Saturday & Sunday: By appointment only

Translation services will be provided as needed.

OVERVIEW AND RESIDENT PROFILE

The following resident relocation plan (“Plan”) was prepared by AHC Inc., the owner and developer overseeing the redevelopment of a portion of Arlington View Terrace (“AVT”). AHC is committed to providing residents with a safe, affordable and attractive place to live. This Plan addresses the relocation needs of current and future residents living at AVT.

Arlington View Terrace is a garden apartment complex with buildings built in 1960. It is located in the Arlington Views neighborhood in south Arlington, Virginia at 1420 South Rolfe Street. AHC acquired the community in 1982 and completed a modest redevelopment in 2002. The property consists of 77 units within 7 buildings. All of the units are affordable and covered by a project-based Section 8 contract.

AHC is proposing to replace an existing 30-unit building on the largest parcel with a new construction 77-unit building. The new construction building on this parcel will more than double the number of long-term affordable units on the parcel and will add family-sized units in a neighborhood already experiencing increased housing costs resulting from Amazon’s move into nearby Crystal City. Prior to the closing of the project’s construction financing, residents will be relocated to allow for demolition of the existing building. The construction is anticipated to start in April of 2021.

Property Profile

Arlington View Terrace was last renovated in 2002 using 4% Low Income Housing Tax Credits (LIHTCs) and tax-exempt bonds. The new construction building will be structured as a 9% tax credit deal with an Arlington County Affordable Housing Investment Fund (AHIF) loan and other subordinate financing. AHC will distribute the 30 existing HAP units that are in the current building throughout the new construction building, subject to discussions with HUD. The property will comply with all Arlington County and LIHTC requirements, and 100% of the units in the new construction building will be committed affordable between 30% - 60% of AMI for 75 years. Final completion of the AVT new construction building (which will be called Arlington View Terrace East) is expected to occur 24-36 months from the time residents are first relocated.

Please see Table 1 below for the proposed future breakdown by unit size and income level.

Table 1. The New AVT					
	Studio	1BR	2 BR	3BR	Totals
30% AMI	1	3	2	2	8
50% AMI (HAP)	0	0	20	0	20
50% AMI	0	5	0	6	11
60% AMI (HAP)	0	0	10	0	10
60% AMI	0	6	15	7	28
Totals	1	14	47	15	77

In anticipation of a Spring 2021 construction start on Arlington View Terrace East, all current residents in the 30-unit building to be demolished will be permanently relocated before the demolition of the existing building commences. The formal relocation process could start as early as July 1, 2020. Preparation for the relocation process will begin in May 2020 with resident interviews and surveys.

Resident Profile

The existing building at Arlington View Terrace that will be demolished, as of 12/1/19, had the following demographics (out of 30 units):

- 14 households with school-age children
- 6 households with elderly residents
- 9 residents who have lived at the property for over 20 years, and 19 who have lived at the property more than 10 years
- 0 households with a disabled resident (please note none of the units at Arlington View Terrace are ADA-accessible)
- Income levels vary from 0% AMI through 80% AMI, with the majority of residents earning less than 50% AMI. All residents were income-qualified at initial lease.
- 100% of the units are covered by the HAP contract.

Amharic and English are the predominate languages spoken at AVT.

As part of their scope of work, the relocation consultant will be conducting assessments of all 30 resident households to determine residents’ special needs during the renovation. The consultant will take special account of households with school-age children so that relocation housing options accommodate children’s current schools and transportation.

Affordable Apartments

When applying to rent an affordable apartment at the current Arlington View Terrace, per the HAP rental assistance contract, individuals and families cannot earn more than 50% of area median income (AMI) shown by household size in Table 2.

Table 2. Income Limits for Affordable Apartments (As of 12/1/19)	
Number of Persons in Household	50%
1	\$42,500
2	\$48,550
3	\$54,600
4	\$60,650

The maximum allowable rents for the existing apartments is based on the current HAP contract (subject to adjustments) and shown in Table 3. All units in the existing building are two-bedroom apartments.

Table 3. Gross Affordable Rents (As of 12/1/19)	
Rental Rates	2-Bedroom
HAP Effective 11/1/19	\$1,140

Residents pay 30% of their certified income towards rent, and the HAP contract subsidy pays the remaining rent. At the new Arlington View Terrace East, HUD will “mark up” the rents allowable under the HAP contract to reflect the newer building’s value. However, residents will continue to pay no more than 30% of their certified income toward rent and the HAP contract will continue to pay the remaining rent. The contract rents and utility rates will be examined on an annual basis as

allowed by Section 8 regulations, and residents will be given proper and timely notice of any revisions.

OCCUPANCY STANDARDS FOR ALL RESIDENTS

Occupancy standards are established for the comfort and well-being of our residents and to prevent overcrowding. The standards for occupancy are the same for all apartments. Please see Table 4 below.

Table 4. Occupancy Standards				
Unit Type	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom
Maximum Number of Occupants	2	2	4	6

RELOCATION OF RESIDENTS

Overview

Due to the length of the construction period, all 30 current AVT residents will be considered permanently relocated as defined by Uniform Relocation Act and VHDA Relocation Guidelines. AHC’s goal is to find permanent housing for all eligible AVT residents at either AHC sister communities in close proximity to AVT or at other nearby rental properties, and ultimately for AVT residents to be given the opportunity to move back to the new building. The relocation team will vacate the 30-unit building over the course of approximately 26 weeks. Relocation assistance will be provided to all residents in accordance with Arlington County Relocation Guidelines and applicable federal, state, and local laws. The first relocation notices may be sent as early as July 1, 2020.

To be eligible for relocation assistance, residents should remain in “good standing,” that is, not in violation of their lease and current with their income certification and rental payments. Prior to distribution of 30-day notices, one-on-one interviews will be conducted by the relocation consultant with each household to obtain relevant resident information, identify particular relocation needs and explain the process and all eligible benefits. A summary of all relocation services that will be offered to eligible residents is on page 11.

All 30 AVT units are currently supported by rental subsidy through a project-based HAP contract. Prior to relocation of residents, AHC will apply for “Section 8 Pass Through” approval from HUD under which the current AVT owner would lease a unit on behalf of the affected tenants in the permanent relocation housing. Arlington View Terrace residents would need only to interface with their current landlord under a sublease agreement for their assigned relocation unit. The residents

would continue to be responsible for the tenant share of the rent, which would be equal to or less than their current rent at AVT.

There will be no reduction in services at Arlington View Terrace during the resident relocation process.

120-Day and 30-Day Notices to Vacate

All residents will receive a minimum of 120-day “Notice to Vacate”, in accordance with all applicable County, VHDA, and Federal relocation guidelines and laws. The notices will be delivered in person to each occupied apartment and sent by registered mail. The initial date of receipt will be the effective date of the notice. Residents will be given 30 days notice to vacate when the time for relocation is approaching. The 30-day notices sent to residents will also meet all County, VHDA, and Federal relocation guidelines and requirements.

Moving Assistance For Residents

AHC will provide eligible households with assistance in moving from their apartment per the two options below. Residents are eligible for moving assistance if they are in “good standing” while remaining in tenancy at AVT on the date that the 120-day “Notice to Vacate” is issued for their particular unit. Residents are responsible for packing all of their own belongings. Free boxes and tape will be provided as needed.

Each household can choose ONE of the following options:

1. AHC will be arranging moves and covering all moving expenses, including packing supplies, transportation, and storage if needed. AHC will be covering any difference between the resident’s rent at the relocation unit and their rent at AVT. AHC will be covering any additional utility or security deposits required at the housing unit. No additional payments will be provided.
2. In the event that a resident prefers to cover his or her own moving expenses, reimbursement of costs will be provided. If a resident chooses Option 2 and decides to use their own movers, the resident must turn in the moving receipts in order to be reimbursed. They will not be reimbursed for moving expenses without actual receipts. Free boxes and tape will be provided. Reimbursement will be limited to the amounts listed in the following chart, as provided by the Uniform Relocation Act and VHDA:

https://www.fhwa.dot.gov/real_estate/uniform_act/relocation/moving_cost_schedule.cfm

In addition to helping with the move, AHC will provide eligible households with the standard relocation payment listed in Table 5, Column 2 below. Each household (1 unit = 1 household) is limited to one relocation payment per move. Households with incomes in excess of 50% AMI will receive the standard relocation payment. Households with incomes at or below 50% AMI will receive 1.5 times the amount of the standard payment (Table 5, Column 3).

Table 5. Household Relocation Payments		
Number of Rooms	Standard Relocation Payment	Relocation Payment for Residents with Incomes Below 50% AMI
4	\$1,320	\$1,980
5	\$1,500	\$2,250

Payment Schedule for Residents

The provisions detailed in this section are standard per Arlington County relocation guidelines. Relocation payments assist with payments towards the resident's moving costs and moving materials as well as utility connection/disconnection fees.

Relocation payments to residents will be made in two stages as outlined below. Lump sum payments will be made in hardship cases.

- First, sixty percent (60%) of the resident relocation payment will be paid to the qualified resident in approximately fifteen business days following AHC's receipt of the resident's written notice expressing the resident's intention to move by the "move-out" date. AHC requests that residents provide at least 24-hour written notice before vacating their unit. AHC prefers 30-days' notice; however, we will honor the aforementioned provisions. This notice will facilitate residents receiving their relocation payment and security deposit in a timely manner.
- Second, on the date that the unit is vacated in a condition in accordance with the terms of the resident's lease and "Notice to Vacate", and the resident has returned keys to the unit,

the balance of the relocation payment due to the resident will be delivered at their forwarding address, or made available for pick up at the AVT management or relocation office.

At the time of relocation, residents will receive their full security deposit plus interest as long as the apartment is left in good condition with no excessive damage, and the resident does not owe back rent.

Summary of Relocation Commitments

AHC has contracted with Housing Opportunities Unlimited (HOU) to support the relocation process. HOU has extensive experience in conducting relocation activities in Arlington County and will be able to identify housing options as well as County resources to facilitate a smooth transition for residents. The following relocation services will be provided under this program:

- Residents will receive free moving assistance or be reimbursed for moving costs.
- Residents will receive a relocation payment.
- Written notice will be delivered to all residents detailing these relocation benefits and conditions.
- One-on-one interviews will be conducted with each household to obtain relevant resident information, identify particular relocation needs and explain the process and all eligible benefits.
- Current listings of apartment vacancies (affordable to residents) in Arlington and bordering jurisdictions will be made available to residents.
- Relocation staff will pay special attention to the challenges of the elderly, disabled and families with children (i.e. packing, timing moves around school schedules, etc.).
- Resident assistance will be provided to identify County agencies that address special needs of the Arlington County population.
- AHC and the relocation consultant will assist residents with school-aged children communicate with their current school to minimize disruption to students.
- AHC will reimburse or pay all other expenses related to the relocation, including utility transfers, deposits, or other such fees.
- If a resident does not drive or has limited mobility and needs help with transportation to/from their relocation housing, AHC will assist with the cost of transportation. Seniors and persons

with disabilities will be given first priority for transportation assistance.

- Residents will be assisted in completing applications and other required paperwork when applying to rent at another property.
- AHC will complete rental verifications in an expedited manner, when requested, as part of a family’s relocation to a new community.
- A relocation staff person will be available on-site starting at the time the first 120 day notices are delivered. Hours will be determined based on resident needs, but are expected to be approximately 20 hours / week. Translation and interpretation services will be provided in other languages as needed. Spring 2020 office hours will be posted as available.

RETURNING TO ARLINGTON VIEW TERRACE

The new Arlington View Terrace East will consist of a 77-unit apartment building with units affordable at 30%, 50% and 60% of AMI. All AVT residents will be able to return to the same size unit at the new building as they have currently. All households are expected to continue to qualify for occupancy at the new Arlington View Terrace East. AHC will pay moving costs into the new building as described on page 8.

At the beginning of the relocation process, a resident profile will be created for each current AVT resident. It will include the resident’s household size, income, number of bedrooms needed, name, address, phone and email contact information. This information is entered onto an Excel spreadsheet and updated every quarter. Residents are encouraged to contact AHC any time their contact information changes.

When a resident is scheduled to move from AVT, the resident will be asked if they would like to return to Arlington View Terrace East. This will also be noted in their resident profile and their name will be added to a separate waiting list for apartments at the redeveloped Arlington View Terrace East.

AVT residents on the waiting list will have first priority to rent an apartment at the redeveloped Arlington View Terrace East. AHC will follow the Priority Ranking System provided by Arlington County (Table 6). The relocation service provider will assign preliminary points to each household.

Table 6. Resident Priority Ranking System	
Household	Point(s)

Child under 18 years of age	1 Point per child
A member of the household is 62 years of age or older.	2 Points
A member of the household has a disability.	2 Points
Household currently receives rental assistance.	1 Point
Household previously displaced by redevelopment in Arlington County.	1 Point
Years of tenancy:	1 Point per year

COMMUNICATION WITH RESIDENTS

Meetings

AHC will hold periodic meetings on relocation leading up to the start of the relocation process so that residents have several opportunities to learn about the relocation process, receive regular updates or learn of changes to the process, and ask questions. Meetings will be held at a place convenient to the residents. Ample time will be allotted for questions. Interpretation services will be offered at relocation meetings, and distributed documents will be translated. The initial meeting with residents will begin with an overview of the plans to redevelop AVT followed by a general discussion of resident relocation and important dates.

Drop-in and One-On-One Appointments

The management office welcomes residents to stop by the office at any time during regular business hours. To ensure adequate time to discuss any concerns, AHC recommends that residents come by the office to schedule an appointment. Relocation staff will be available during business hours by appointment or on a pre-determined schedule.

Additional Information

Additionally, residents will receive the following information:

- Name, address, and contact persons for the relocation team and the owner representatives.

1. The relocation consultant is Housing Opportunities Unlimited. Housing Opportunities Unlimited can be reached as follows:

Chris Jones
Project Director
Office/Cell: 804-690-8076
cjones@housingopportunities.com

Jeray Wilson
Relocation Coordinator
Office/Cell (202) 907-7747
jwilson@housingopportunities.com

2. The Community Manager is Star Rowell. She can be reached at 703-521-4010 or rowell@ahcmgmt.com.

The Regional Property Manager is Andrew Chapman. He can be reached at 703-271-8400 x 1129 or andre.chapman@ahcmgmt.com

3. Owner representative: Haley Norris, Senior Development Manager. She can be reached at haley.norris@ahcinc.org or at (703) 486-0626 ext. 1170

Owner representative: Alan Goldstein, Director of Multifamily. He can be reached at alan.goldstein@ahcinc.org or at (703) 486-0626 ext. 1116

- Estimated timetable for each phase of the Redevelopment work and the relocation plan.
- Moving services available for all residents.

All 120-day notices to vacate, along with the relocation benefits letter, will be delivered to the residents prior to the commencement of redevelopment work. The notices will be hand delivered and sent by registered mail.

AHC will distribute the draft Relocation Plan to all residents. Residents will receive the final Relocation Plan once it has been approved by Arlington County and HUD.

Estimated Schedule for Resident Relocation

January 2020	Submit Relocation Plan to Arlington County
March 2020	Initial Resident Meeting
May 2020	Relocation Plan approved
May 2020	Relocation Team begins one-on-one resident interviews to gather information on each of the 30 households' needs during renovation
	Relocation staff available as needed on-site for resident inquiries
July 2020	120 day notices delivered to residents advising of upcoming renovation and relocation
Fall 2020	30 day notices delivered to residents
Winter 2021	Resident Relocation completed for 30 households
April 2021	Demolition and construction begin
Spring 2023	Arlington View Terrace East is completed and ready for occupancy. The 30 current residents may move into the new building.

Anticipated Unit Delivery Schedule

Arlington View Terrace East is anticipated to be complete by April of 2023. Thus, the proposed unit delivery schedule is:

- April 2023 – 77 units

At this time, all 30 current AVT residents will be notified that they can move back to the new building.

OPTION TO PURCHASE IMPROVEMENTS AND TO ASSUME LEASE

THIS OPTION TO PURCHASE IMPROVEMENTS AND TO ASSUME LEASE (this “*Agreement*”), effective as of March 10, 2020 (“*Effective Date*”), is made by and between AHC Limited Partnership – 3, a Virginia limited partnership having an address of 2230 North Fairfax Drive, Suite 100, Arlington, VA 22201 (“*Seller*”), AHC Service Corporation, a Virginia corporation having an address of 2230 North Fairfax Drive, Suite 100, Arlington, VA 22201 (“*Buyer*”), and AHC Service Corporation, a Virginia corporation having an address of 2230 North Fairfax Drive, Suite 100, Arlington, VA 22201 (“*Landlord*”).

RECITALS

Seller is the lessee of certain real property located in Arlington County, Virginia (“*Land*”) pursuant to: (i) that certain Deed and Lease Agreement dated July 28, 1982 (the “*Deed and Lease*”) by and between Landlord and Arlington View Terrace Associates, a Virginia limited partnership (“*AVTA*”); (ii) as sold to AHC Inc., a Virginia nonstock corporation (“*AHC*”), with respect to the improvements and the leasehold therein pursuant to that certain Real Estate Purchase Agreement dated February 20, 2001; (iii) as assigned to Seller with respect to the rights to purchase the improvements therein pursuant to that certain Agreement for Assignment of Real Estate Purchase Agreement dated September 1, 2001; (iv) as assigned to Arlington View Terrace Housing Corporation, a Virginia corporation (“*AVTHC*”) with respect to the Deed and Lease pursuant to that certain Assignment of Ground Lease dated September 1, 2001; and (v) as assigned to Seller with respect to the Deed and Lease pursuant to that certain Assignment and Amendment of Lease dated September 1, 2001 (collectively, the “*Lease*”).

Landlord is (i) the owner of the Land and (ii) the lessor of the Land pursuant to the Lease.

The Land consists of certain parcels of real property, as identified in the Lease. The parties intend that three (3) parcels and one (1) outlot of the Land (Parcel G, Parcel H, Parcel I, and Outlot B, as identified in **Exhibit A**, together, the “*Lease Property*”) be reserved for use by Buyer, and the other remaining parcels and outlots of the Land (the “*Retained Land*”) remain with Seller.

Seller wishes to grant Buyer the option, and Buyer wishes to accept the option, to assume the Lease with respect to the Lease Property and purchase the improvements located thereon (“*Improvements*” and together with Seller’s leasehold interest in the Lease Property, the “*Property*”), such that the Lease with respect to the Retained Land and the improvements located thereon remain with the Seller, on the terms and conditions stated below.

Therefore, the parties agree as follows:

AGREEMENT

1. **Grant of Option to Assume Lease.** In consideration of Seller’s receipt of \$10.00 from Buyer (which is hereby acknowledged), Seller hereby grants to Buyer the exclusive right and option to purchase and acquire the Property from Seller (“*Option*”) at any time after the Effective Date, and continuing until 5:00 p.m. on December 31, 2021 (the “*Expiration Date*”).
2. **Terms of Purchase of Improvements and Assumption of Lease.** The total acquisition price for the Property will be equal to \$1,700,000 (the “*Purchase Price*”), which amount will be payable as provided by a further agreement to be entered into between the parties if Buyer elects to exercise the

Option. Upon exercise of the Option and payment of the Purchase Price, Seller will assign the Lease and deed the Improvements to Buyer, such that the Lease with respect to the Retained Land and the improvements located thereon remain with Seller, as provided by a further agreement to be entered into between the parties. Title to the Property will be delivered free and clear of all liens and encumbrances. All costs associated with the acquisition of the Property will be borne by the Buyer.

3. **Amendment, Restatement, and Bifurcation of Lease:** Upon exercise of the Option, Seller and Buyer will have the right to amend, restate, and bifurcate the Lease, as provided by a further agreement to be entered into between the parties, including the following material terms:

3.1. The Lease will be bifurcated into two or more leases to separate the leasehold interest therein, whereby only the Lease Property is acquired by Buyer and the Retained Land remains leased to the Seller, and whereby only the Improvements are purchased by Buyer and the improvements located on the Retained Land are purchased by Seller.

3.2. The minimum term of any such bifurcated lease with respect to the Lease Property will be 99 years from the date of Buyer's acquisition of the Property.

3.3. Buyer will be permitted to assign or encumber its leasehold interest as tenant under the Lease as security for any debt financing for the Property, as more particularly set forth in the Lease.

3.4. The basic annual rent will be based on the appraised value of the Property.

3.5. Buyer will be responsible for all operating expenses of the Property.

3.6. Buyer will be entitled to terminate the Lease with respect to the Property at any time.

3.7. Buyer will be entitled to cause the demolition of the Improvements at any time.

3.8. The parties agree that any required relocation of tenants with respect to the Property will be accomplished in accordance with the tenant relocation plan attached hereto and made a part hereof as **Exhibit B**.

4. **Application of Consideration to Purchase Prices.** If Buyer elects to acquire the Property pursuant to the Option, the consideration paid for the Option will not be applied to the Purchase Price.

5. **Exercise of Option.** Buyer may exercise the Option by giving Seller written notice, signed by Buyer, on or before the Expiration Date.

6. **Proof of Title.** Seller will, at Buyer's expense, furnish Buyer with a policy of title insurance, written by a title insurer acceptable to Buyer, insuring the title to the Property on terms acceptable to Buyer.

7. **Failure to Exercise Option.** If Buyer does not exercise the Option before the Expiration Date, the Option and the rights of Buyer will automatically and immediately terminate without notice, and Seller will retain the sum paid as consideration for the Option.

8. **Miscellaneous.** Seller shall not market the Property or enter into any contract or option to sell the Property prior to the Expiration Date.

9. **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.

10. **Binding Effect.** This Agreement will be binding upon and inure only to the benefit of the parties to it, including Buyer's successors or assigns.

[signature page follows]

[signature page to Option to Purchase Improvements and to Assume Lease]

BUYER:


AHC SERVICE CORPORATION,
a Virginia corporation

By: 
Name: Walter D. Webdale
Title: President

SELLER:

AHC LIMITED PARTNERSHIP – 3,
a Virginia limited partnership

By: Arlington View Terrace Housing Corporation
a Virginia corporation
its general partner

By: 
Name: Walter D. Webdale
Title: President

CONSENTED TO BY
LANDLORD:

The undersigned, as landlord of the Property pursuant to the Lease, hereby acknowledges, and consents to, the foregoing Option to Purchase Improvements and to Assume Lease.

AHC SERVICE CORPORATION,
a Virginia corporation


By: 
Name: Walter D. Webdale
Title: President

Exhibit A

Property Description

Description of Parcels G, H, and I, Section One, Arlington View, as recorded in Deed Book 1147 at Page 16 and Outlot B, being a portion of vacated 15th Street South, as recorded in Deed Book 1616 at Page 323 among the land records of Arlington County, Virginia and being more particularly described by metes and bounds as follows:

Beginning at a point in the south right-of-way line of 14th Road South, said point being the northwest corner of Lot 70A, Section One, Arlington View as recorded in Deed Book 1442 at Page 342; thence with Lot 70A, S 07°55'03" E, 100.00 feet to a point; thence N 82°04'57" E, 52.42 feet to a point, said point being a corner of Lot 2A; thence with the west line of Lot 2A, the same course continued with the west line of Lot 1, Richard's Addition To Arlington View, as recorded in Deed Book 1308 at Page 186, and Outlot C, being a vacated portion of 15th Street South as recorded in Deed Book 1616 at page 323, S 07°55'03" E, 110.41 feet to a point in the north line of Outlot D, being a vacated portion of 15th Street South as recorded in Deed Book 1616 at page 323; thence with the north line of Outlot D, S 82°02'17" W, 265.17 feet to a point, said point being the southeast terminus of South Rolfe Street; thence with the east right-of-way line of South Rolfe Street, N 12°39'03" W, 207.07 feet to a point at the intersection of the east right-of-way line of South Rolfe Street with the south right-of-way line of 14th Road South; thence with the south right-of-way line of 14th Road South, N 79°45'57" E, 54.85 feet to a point; thence 100.48 feet with the arc curve bearing to the right and having a radius of 2,485.00 feet (chord bearing of N 80°55'27" E and a distance of 100.47 feet a central angle of 02°19'00); thence N 82°04'51" E, 74.58 feet to the point of beginning and containing an area of 52,174 square feet or 1.1977 acres, more or less.

Exhibit B

Tenant Relocation Plan

[Exhibit appears on the next page.]

Relocation Plan

Arlington View Terrace East

AHC Inc.

3/9/20

Table of Contents

OVERVIEW AND RESIDENT PROFILE 5

 Property Profile 5

 Resident Profile 6

 Affordable Apartments 7

OCCUPANCY STANDARDS FOR ALL RESIDENTS 8

RELOCATION OF RESIDENTS 8

 Overview 8

 Moving Assistance For Residents 9

 Payment Schedule for Residents 10

 Summary of Relocation Commitments 11

RETURNING TO ARLINGTON VIEW TERRACE 12

COMMUNICATION WITH RESIDENTS 13

 Meetings 13

 Drop-in and One-On-One Appointments 13

 Additional Information 14

Estimated Schedule for Resident Relocation 15

Anticipated Unit Delivery Schedule 16

Arlington View Terrace East Contact Sheet and Hours of Operation

Relocation Consultant: Housing Opportunities Unlimited

Chris Jones
Project Director
Office/Cell: 804-690-8076
cjones@housingopportunities.com

Jeray Wilson
Relocation Coordinator
Office/Cell (202) 907-7747
jwilson@housingopportunities.com

Office Hours M-F 9-5; evenings and weekends by appointment as requested
Relocation staff office hours to be posted on site when applicable

AHC Management Star Rowell
Community Manager, Arlington View Terrace
Phone: 703-521-4010
Star.rowell@ahcmgmt.com

Andre Chapman
Regional Manager
Phone: 703-271-8400 x 1129
andre.chapman@ahcmgmt.com

Relocation Oversight: Arlington County Office
Hector Mercado
Phone: 703-228-3805
hmerca@arlingtonva.us

Hours of Operation:

Relocation staff person will be available on-site beginning in July 2020.

Monday thru Thursday: TBD

Friday: TBD

Saturday & Sunday: By appointment only

Translation services will be provided as needed.

OVERVIEW AND RESIDENT PROFILE

The following resident relocation plan (“Plan”) was prepared by AHC Inc., the owner and developer overseeing the redevelopment of a portion of Arlington View Terrace (“AVT”). AHC is committed to providing residents with a safe, affordable and attractive place to live. This Plan addresses the relocation needs of current and future residents living at AVT.

Arlington View Terrace is a garden apartment complex with buildings built in 1960. It is located in the Arlington Views neighborhood in south Arlington, Virginia at 1420 South Rolfe Street. AHC acquired the community in 1982 and completed a modest redevelopment in 2002. The property consists of 77 units within 7 buildings. All of the units are affordable and covered by a project-based Section 8 contract.

AHC is proposing to replace an existing 30-unit building on the largest parcel with a new construction 77-unit building. The new construction building on this parcel will more than double the number of long-term affordable units on the parcel and will add family-sized units in a neighborhood already experiencing increased housing costs resulting from Amazon’s move into nearby Crystal City. Prior to the closing of the project’s construction financing, residents will be relocated to allow for demolition of the existing building. The construction is anticipated to start in April of 2021.

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3	\$54,600
4	\$60,650

The maximum allowable rents for the existing apartments is based on the current HAP contract (subject to adjustments) and shown in Table 3. All units in the existing building are two-bedroom apartments.

Table 3. Gross Affordable Rents (As of 12/1/19)	
Rental Rates	2-Bedroom
HAP Effective 11/1/19	\$1,140

Residents pay 30% of their certified income towards rent, and the HAP contract subsidy pays the remaining rent. At the new Arlington View Terrace East, HUD will “mark up” the rents allowable under the HAP contract to reflect the newer building’s value. However, residents will continue to pay no more than 30% of their certified income toward rent and the HAP contract will continue to pay the remaining rent. The contract rents and utility rates will be examined on an annual basis as

allowed by Section 8 regulations, and residents will be given proper and timely notice of any revisions.

OCCUPANCY STANDARDS FOR ALL RESIDENTS

Occupancy standards are established for the comfort and well-being of our residents and to prevent overcrowding. The standards for occupancy are the same for all apartments. Please see Table 4 below.

Table 4. Occupancy Standards				
Unit Type	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom
Maximum Number of Occupants	2	2	4	6

RELOCATION OF RESIDENTS

Overview

Due to the length of the construction period, all 30 current AVT residents will be considered permanently relocated as defined by Uniform Relocation Act and VHDA Relocation Guidelines. AHC’s goal is to find permanent housing for all eligible AVT residents at either AHC sister communities in close proximity to AVT or at other nearby rental properties, and ultimately for AVT residents to be given the opportunity to move back to the new building. The relocation team will vacate the 30-unit building over the course of approximately 26 weeks. Relocation assistance will be provided to all residents in accordance with Arlington County Relocation Guidelines and applicable federal, state, and local laws. The first relocation notices may be sent as early as July 1, 2020.

To be eligible for relocation assistance, residents should remain in “good standing,” that is, not in violation of their lease and current with their income certification and rental payments. Prior to distribution of 30-day notices, one-on-one interviews will be conducted by the relocation consultant with each household to obtain relevant resident information, identify particular relocation needs and explain the process and all eligible benefits. A summary of all relocation services that will be offered to eligible residents is on page 11.

All 30 AVT units are currently supported by rental subsidy through a project-based HAP contract. Prior to relocation of residents, AHC will apply for “Section 8 Pass Through” approval from HUD under which the current AVT owner would lease a unit on behalf of the affected tenants in the permanent relocation housing. Arlington View Terrace residents would need only to interface with their current landlord under a sublease agreement for their assigned relocation unit. The residents

would continue to be responsible for the tenant share of the rent, which would be equal to or less than their current rent at AVT.

There will be no reduction in services at Arlington View Terrace during the resident relocation process.

120-Day and 30-Day Notices to Vacate

All residents will receive a minimum of 120-day “Notice to Vacate”, in accordance with all applicable County, VHDA, and Federal relocation guidelines and laws. The notices will be delivered in person to each occupied apartment and sent by registered mail. The initial date of receipt will be the effective date of the notice. Residents will be given 30 days notice to vacate when the time for relocation is approaching. The 30-day notices sent to residents will also meet all County, VHDA, and Federal relocation guidelines and requirements.

Moving Assistance For Residents

AHC will provide eligible households with assistance in moving from their apartment per the two options below. Residents are eligible for moving assistance if they are in “good standing” while remaining in tenancy at AVT on the date that the 120-day “Notice to Vacate” is issued for their particular unit. Residents are responsible for packing all of their own belongings. Free boxes and tape will be provided as needed.

Each household can choose ONE of the following options:

1. AHC will be arranging moves and covering all moving expenses, including packing supplies, transportation, and storage if needed. AHC will be covering any difference between the resident’s rent at the relocation unit and their rent at AVT. AHC will be covering any additional utility or security deposits required at the housing unit. No additional payments will be provided.
2. In the event that a resident prefers to cover his or her own moving expenses, reimbursement of costs will be provided. If a resident chooses Option 2 and decides to use their own movers, the resident must turn in the moving receipts in order to be reimbursed. They will not be reimbursed for moving expenses without actual receipts. Free boxes and tape will be provided. Reimbursement will be limited to the amounts listed in the following chart, as provided by the Uniform Relocation Act and VHDA:

https://www.fhwa.dot.gov/real_estate/uniform_act/relocation/moving_cost_schedule.cfm

In addition to helping with the move, AHC will provide eligible households with the standard relocation payment listed in Table 5, Column 2 below. Each household (1 unit = 1 household) is limited to one relocation payment per move. Households with incomes in excess of 50% AMI will receive the standard relocation payment. Households with incomes at or below 50% AMI will receive 1.5 times the amount of the standard payment (Table 5, Column 3).

Table 5. Household Relocation Payments		
Number of Rooms	Standard Relocation Payment	Relocation Payment for Residents with Incomes Below 50% AMI
4	\$1,320	\$1,980
5	\$1,500	\$2,250

Payment Schedule for Residents

The provisions detailed in this section are standard per Arlington County relocation guidelines. Relocation payments assist with payments towards the resident's moving costs and moving materials as well as utility connection/disconnection fees.

Relocation payments to residents will be made in two stages as outlined below. Lump sum payments will be made in hardship cases.

- First, sixty percent (60%) of the resident relocation payment will be paid to the qualified resident in approximately fifteen business days following AHC's receipt of the resident's written notice expressing the resident's intention to move by the "move-out" date. AHC requests that residents provide at least 24-hour written notice before vacating their unit. AHC prefers 30-days' notice; however, we will honor the aforementioned provisions. This notice will facilitate residents receiving their relocation payment and security deposit in a timely manner.
- Second, on the date that the unit is vacated in a condition in accordance with the terms of the resident's lease and "Notice to Vacate", and the resident has returned keys to the unit,

the balance of the relocation payment due to the resident will be delivered at their forwarding address, or made available for pick up at the AVT management or relocation office.

At the time of relocation, residents will receive their full security deposit plus interest as long as the apartment is left in good condition with no excessive damage, and the resident does not owe back rent.

Summary of Relocation Commitments

AHC has contracted with Housing Opportunities Unlimited (HOU) to support the relocation process. HOU has extensive experience in conducting relocation activities in Arlington County and will be able to identify housing options as well as County resources to facilitate a smooth transition for residents. The following relocation services will be provided under this program:

- Residents will receive free moving assistance or be reimbursed for moving costs.
- Residents will receive a relocation payment.
- Written notice will be delivered to all residents detailing these relocation benefits and conditions.
- One-on-one interviews will be conducted with each household to obtain relevant resident information, identify particular relocation needs and explain the process and all eligible benefits.
- Current listings of apartment vacancies (affordable to residents) in Arlington and bordering jurisdictions will be made available to residents.
- Relocation staff will pay special attention to the challenges of the elderly, disabled and families with children (i.e. packing, timing moves around school schedules, etc.).
- Resident assistance will be provided to identify County agencies that address special needs of the Arlington County population.
- AHC and the relocation consultant will assist residents with school-aged children communicate with their current school to minimize disruption to students.
- AHC will reimburse or pay all other expenses related to the relocation, including utility transfers, deposits, or other such fees.
- If a resident does not drive or has limited mobility and needs help with transportation to/from their relocation housing, AHC will assist with the cost of transportation. Seniors and persons

with disabilities will be given first priority for transportation assistance.

- Residents will be assisted in completing applications and other required paperwork when applying to rent at another property.
- AHC will complete rental verifications in an expedited manner, when requested, as part of a family’s relocation to a new community.
- A relocation staff person will be available on-site starting at the time the first 120 day notices are delivered. Hours will be determined based on resident needs, but are expected to be approximately 20 hours / week. Translation and interpretation services will be provided in other languages as needed. Spring 2020 office hours will be posted as available.

RETURNING TO ARLINGTON VIEW TERRACE

The new Arlington View Terrace East will consist of a 77-unit apartment building with units affordable at 30%, 50% and 60% of AMI. All AVT residents will be able to return to the same size unit at the new building as they have currently. All households are expected to continue to qualify for occupancy at the new Arlington View Terrace East. AHC will pay moving costs into the new building as described on page 8.

At the beginning of the relocation process, a resident profile will be created for each current AVT resident. It will include the resident’s household size, income, number of bedrooms needed, name, address, phone and email contact information. This information is entered onto an Excel spreadsheet and updated every quarter. Residents are encouraged to contact AHC any time their contact information changes.

When a resident is scheduled to move from AVT, the resident will be asked if they would like to return to Arlington View Terrace East. This will also be noted in their resident profile and their name will be added to a separate waiting list for apartments at the redeveloped Arlington View Terrace East.

AVT residents on the waiting list will have first priority to rent an apartment at the redeveloped Arlington View Terrace East. AHC will follow the Priority Ranking System provided by Arlington County (Table 6). The relocation service provider will assign preliminary points to each household.

Table 6. Resident Priority Ranking System	
Household	Point(s)

Child under 18 years of age	1 Point per child
A member of the household is 62 years of age or older.	2 Points
A member of the household has a disability.	2 Points
Household currently receives rental assistance.	1 Point
Household previously displaced by redevelopment in Arlington County.	1 Point
Years of tenancy:	1 Point per year

COMMUNICATION WITH RESIDENTS

Meetings

AHC will hold periodic meetings on relocation leading up to the start of the relocation process so that residents have several opportunities to learn about the relocation process, receive regular updates or learn of changes to the process, and ask questions. Meetings will be held at a place convenient to the residents. Ample time will be allotted for questions. Interpretation services will be offered at relocation meetings, and distributed documents will be translated. The initial meeting with residents will begin with an overview of the plans to redevelop AVT followed by a general discussion of resident relocation and important dates.

Drop-in and One-On-One Appointments

The management office welcomes residents to stop by the office at any time during regular business hours. To ensure adequate time to discuss any concerns, AHC recommends that residents come by the office to schedule an appointment. Relocation staff will be available during business hours by appointment or on a pre-determined schedule.

Additional Information

Additionally, residents will receive the following information:

- Name, address, and contact persons for the relocation team and the owner representatives.

1. The relocation consultant is Housing Opportunities Unlimited. Housing Opportunities Unlimited can be reached as follows:

Chris Jones
Project Director
Office/Cell: 804-690-8076
cjones@housingopportunities.com

Jeray Wilson
Relocation Coordinator
Office/Cell (202) 907-7747
jwilson@housingopportunities.com

2. The Community Manager is Star Rowell. She can be reached at 703-521-4010 or rowell@ahcmgmt.com.

The Regional Property Manager is Andrew Chapman. He can be reached at 703-271-8400 x 1129 or andre.chapman@ahcmgmt.com

3. Owner representative: Haley Norris, Senior Development Manager. She can be reached at haley.norris@ahcinc.org or at (703) 486-0626 ext. 1170

Owner representative: Alan Goldstein, Director of Multifamily. He can be reached at alan.goldstein@ahcinc.org or at (703) 486-0626 ext. 1116

- Estimated timetable for each phase of the Redevelopment work and the relocation plan.
- Moving services available for all residents.

All 120-day notices to vacate, along with the relocation benefits letter, will be delivered to the residents prior to the commencement of redevelopment work. The notices will be hand delivered and sent by registered mail.

AHC will distribute the draft Relocation Plan to all residents. Residents will receive the final Relocation Plan once it has been approved by Arlington County and HUD.

Estimated Schedule for Resident Relocation

January 2020	Submit Relocation Plan to Arlington County
March 2020	Initial Resident Meeting
May 2020	Relocation Plan approved
May 2020	Relocation Team begins one-on-one resident interviews to gather information on each of the 30 households' needs during renovation
	Relocation staff available as needed on-site for resident inquiries
July 2020	120 day notices delivered to residents advising of upcoming renovation and relocation
Fall 2020	30 day notices delivered to residents
Winter 2021	Resident Relocation completed for 30 households
April 2021	Demolition and construction begin
Spring 2023	Arlington View Terrace East is completed and ready for occupancy. The 30 current residents may move into the new building.

Anticipated Unit Delivery Schedule

Arlington View Terrace East is anticipated to be complete by April of 2023. Thus, the proposed unit delivery schedule is:

- April 2023 – 77 units

At this time, all 30 current AVT residents will be notified that they can move back to the new building.

F

Third-Party RESNET
Rater Certification
(MANDATORY)



Appendix F
RESNET Rater Certification of Development Plans

I certify that the development's plans and specifications incorporate all items for the required baseline energy performance as indicated in Virginia's Qualified Allocation Plan (QAP). In the event the plans and specifications do not include requirements to meet the QAP baseline energy performance, then those requirements still must be met, even though the application is accepted for credits.

***Please note that this may cause the Application to be ineligible for credits. The Requirements apply to any new, adaptive reuse or rehabilitated development (including those serving elderly and/or physically disabled households).

In addition provide HERS rating documentation as specified in the manual

X 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.

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

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

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

FALSE Enterprise Green Communities - The 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: [Signature]

Date: 2/24/20

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency
Viridiant

Signature [Signature]

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



Arlington View Terrace East
2020 LIHTC Pre-Review Comments

Project Address

1420 South Rolfe St
Arlington, VA 22204

Project Summary

Arlington View Terrace East is a new construction low-rise multifamily development, comprised of 77 units located in Arlington, VA. ACH plans to construct the project utilizing 9% LIHTC. As part of their funding application the project is seeking Gold level certification under the EarthCraft Multifamily Program (ECMF). This level of certification requires the project to have a maximum HERS index of 75 and minimum 150 points on the ECMF Workbook Version 6. Phoebe Larson of Cunningham Quill Architects is the primary architect contact for the project.

Unit-Level Energy Modeling

Unit-level models were generated using REM/Rate v16.0.1 based on the proposed scope and plans provided by the project team dated February 12, 2020. The current ENERGY STAR Multifamily New Construction Target HERS is 66. With the current scope of work, the worst case units in the development are obtaining a projected HERS index of 66, fulfilling the Energy Star HERS requirement. As mechanical systems are specified this is subject to change, and Viridiant should be reengaged to ensure modeling stays compliant with ENERGY STAR. The following outlines the scope as it is currently modeled.

Enclosure:

- R-19 spray foam slab insulation
- R-19 Grade II cavity fiberglass insulation in exterior above grade metal stud walls, plus R-7.5 mineral wool continuous exterior insulation
- R-19 dense pack cellulose cavity insulation in exterior above grade wood stud walls, plus R-3.8 mineral wool continuous exterior insulation
- R-13 Grade II cavity insulation in party walls
- R-30 continuous roof deck insulation
- 0.21 U-Value for opaque doors
- 0.30 U-Value/0.27 SHGC windows & glass doors (if using Energy Star qualified windows per VHDA)

Mechanicals:

- SEER 14.5, HSPF 8.5, 18k air source heat pump, programmable thermostat
- 0.95 EF storage electric water heaters, 30 gallon
- 5 ACH₅₀ for infiltration threshold/blower door test
- 5% duct leakage to the outside, 8% total duct leakage
- All ducts within conditioned space and insulated to R-6
- 90% AFUE, 11 EER DOAS system providing continuous ventilation at 1.6 CFM/Watt

Arlington View Terrace East
February 24, 2020



- ASHRAE 62.2 2013 continuous ventilation rate

Lights & Appliances:

- ES rated kitchen appliances
 - 610 kWh/yr refrigerator
 - 275 kWh/yr dishwasher
- Energy Star Advanced Lighting 40% CFL and 60% LED

Please let me know if you have any question or if the above information does not accurately capture your current scope.

Sincerely,

A handwritten signature in black ink that reads "Katy Maher".

Katy Maher
Project Manager, Viridiant

Home Energy Rating Certificate

Projected Report

Rating Date: 2020-02-26
 Registry ID:
 Ekotrope ID: 3LMKVEJv

HERS® Index Score:

61

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

Annual Savings

\$702

*Relative to an average U.S. home

Home:
 1420 South Rolfe St
 Arlington, VA 22204

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	7.2
Cooling	1.9
Hot Water	5.9
Lights/Appliances	13.1
Service Charges	
Generation (e.g. Solar)	0.0
Total:	28.1

This home meets or exceeds the criteria of the following:

ENERGY STAR v3.1

Rating Completed by:

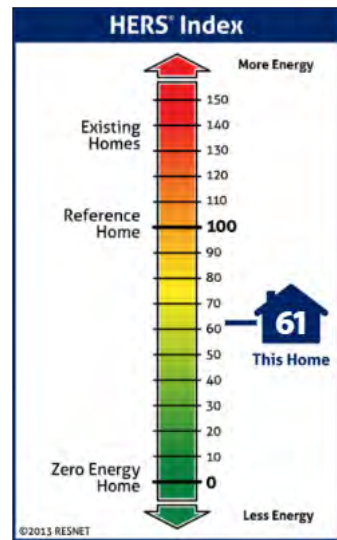
Energy Rater: Matt Waring
 RESNET ID: 6729287

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

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



Matt Waring, Certified Energy Rater
 Date: 3/11/20 at 9:28 AM



Home Feature Summary:

Home Type: Apartment, end unit
 Model: N/A
 Community: N/A
 Conditioned Floor Area: 1,064 ft²
 Number of Bedrooms: 2
 Primary Heating System: Air Source Heat Pump • Electric • 8.5 HSPF
 Primary Cooling System: Air Source Heat Pump • Electric • 14.5 SEER
 Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor
 House Tightness: 5 ACH50
 Ventilation: 54.4 CFM (unmeasured) • 34 Watts
 Duct Leakage to Outside: 5 CFM25 / 100 ft²
 Above Grade Walls: R-23
 Ceiling: Vaulted Roof, R-30
 Window Type: U-Value: 0.3, SHGC: 0.27
 Foundation Walls: N/A

G

Zoning Certification Letter
(MANDATORY)



DATE: January 31, 2020

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

RE: ZONING CERTIFICATION

Name of Development: _____

Name of Owner/Applicant: _____

Name of Seller/Current Owner: _____

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:

Legal Description:

Proposed Improvements:

- New Construction: _____ # Units _____ # Buildings _____ Approx. Total Floor Area Sq. Ft.
- Adaptive Reuse: _____ # Units _____ # Buildings _____ Approx. Total Floor Area Sq. Ft.
- Rehabilitation: _____ # Units _____ # Buildings _____ Approx. Total Floor Area Sq. Ft.

Zoning Certification, cont'd

Current Zoning: RA8-18 allowing a density of _____ units per acre, and the following other applicable conditions: Eligible to redevelop under Neighborhoods Form Based Code which does not have a density restriction but rather relies on varied height restrictions.

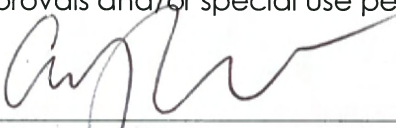
Other Descriptive Information:

The above referenced project is consistent with the Neighborhoods FBC standards and has completed the administrative review process per Arlington County Administrative Regulations 4.1.2

LOCAL CERTIFICATION:

Check one of the following as appropriate:

- The zoning for the proposed development described above is proper for the proposed residential development. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.
- The development described above is an approved non-conforming use. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.



Signature
ARLOVA VONHM

Printed Name
ZONING ADMINISTRATOR

Title of Local Official or Civil Engineer
(703) 228-3428

Phone:
1/29/2020

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.

Description of Parcels G, H, and I, Section One, Arlington View, as recorded in Deed Book 1147 at Page 16 and Outlot B, being a portion of vacated 15th Street South, as recorded in Deed Book 1616 at Page 323 among the land records of Arlington County, Virginia and being more particularly described by metes and bounds as follows:

Beginning at a point in the south right-of-way line of 14th Road South, said point being the northwest corner of Lot 70A, Section One, Arlington View as recorded in Deed Book 1442 at Page 342; thence with Lot 70A, S 07°55'03" E, 100.00 feet to a point; thence N 82°04'57" E, 52.42 feet to a point, said point being a corner of Lot 2A; thence with the west line of Lot 2A, the same course continued with the west line of Lot 1, Richard's Addition To Arlington View, as recorded in Deed Book 1308 at Page 186, and Outlot C, being a vacated portion of 15th Street South as recorded in Deed Book 1616 at page 323, S 07°55'03" E, 110.41 feet to a point in the north line of Outlot D, being a vacated portion of 15th Street South as recorded in Deed Book 1616 at page 323; thence with the north line of Outlot D, S 82°02'17" W, 265.17 feet to a point, said point being the southeast terminus of South Rolfe Street; thence with the east right-of-way line of South Rolfe Street, N 12°39'03" W, 207.07 feet to a point at the intersection of the east right-of-way line of South Rolfe Street with the south right-of-way line of 14th Road South; thence with the south right-of-way line of 14th Road South, N 79°45'57" E, 54.85 feet to a point; thence 100.48 feet with the arc curve bearing to the right and having a radius of 2,485.00 feet (chord bearing of N 80°55'27" E and a distance of 100.47 feet a central angle of 02°19'00); thence N 82°04'51" E, 74.58 feet to the point of beginning and containing an area of 52,174 square feet or 1.1977 acres, more or less.



David Isherwood, L.S. 3244
January 15, 2020

H

Attorney's Opinion
(MANDATORY)

March 9, 2020

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

Re: **2020 Tax Credit Reservation Request**

Name of Development: Arlington View Terrace East
Name of Owner: AHC LP – 30 Arlington View

Ladies and 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 9, 2020 (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.

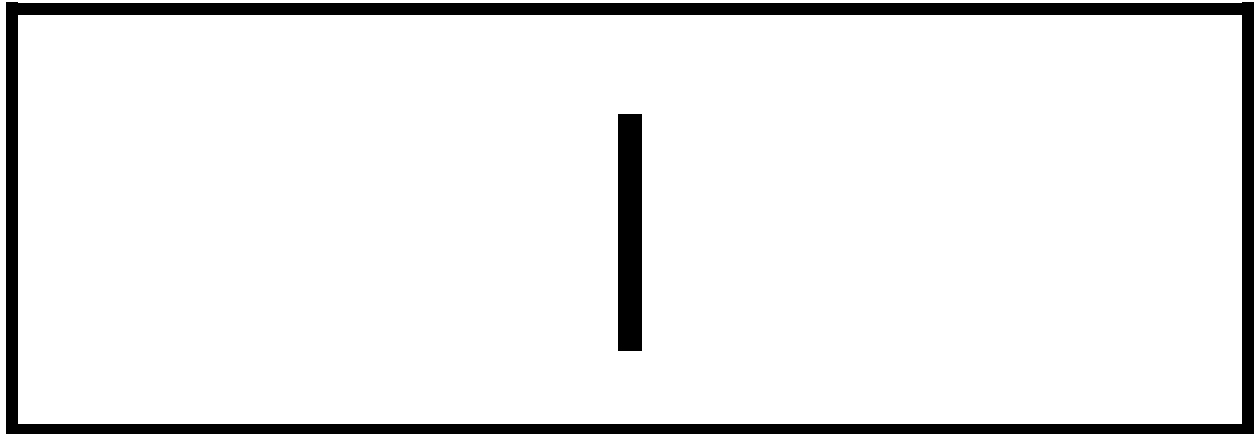
Firm Name: Klein Hornig LLP

By:



Erik T. Hoffman
Partner

Its:



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: Arlington View Terrace East
- b. Name of owner/applicant: AHC LP - 30 Arlington View
- c. Name of non-profit entity: AHC Inc.
- d. Address of principal place of business of non-profit entity:
2230 N. Fairfax Drive, Suite 100, Arlington, VA 22201

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

Development fees, property management fees, public and private grant funding, individual and corporate donations

- 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); 12/19/1975
evidenced by the following documentation: See attached articles of incorporation
- g. Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):
9/17/76
- h. Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):
To expand and improve housing for low- and moderate-income households by preserving and renovating existing buildings as well as constructing new units.
- i. Expected life (in years) of non-profit:
Perpetuity

Non-profit Questionnaire, cont'd

- j. Explain the anticipated future activities of the non-profit over the next five years:
To expand and improve housing for low- and moderate-income households by preserving and renovating existing buildings
as well as constructing new housing units.
- 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.)?
66 How many part time, paid staff members? 3
- Describe the duties of all staff members:
President & Senior Vice President: manage operations; Divisions: Multifamily Development; Single Family & Construction
Management; Resident Services; Community Relations; Asset Management; Human Resources; Finance; Administrative Services;
Information Technology
- 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?
100+ volunteers; 10-member Board of Directors meets bi-monthly and sets policy; other volunteers support resident services
and community relations.
- 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
Development fees, property management fees, asset management fees, public and private grant funding, and
individual and corporate donations.
- o. List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:
See attached list of Board of Directors

2. Non-profit Formation

- a. Explain in detail the genesis of the formation of the non-profit:
AHC Inc., formerly Arlington Housing Corporation, is a community based non-profit housing sponsor. AHC was founded in
1975 to address the critical need for affordable housing in Arlington County. AHC has evolved from a small home repair organization
to a sophisticated corporation that develops complex multifamily developments.

Non-profit Questionnaire, cont'd

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

Yes No If yes, explain in detail:

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

Yes No If yes, explain:

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

Yes No If yes, explain:

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

Yes No, If yes, explain:

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

Yes No

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

AHC has more than 40 years experience sponsoring housing for low- and moderate-income households in Arlington, and has expanded throughout northern Virginia and Maryland. The Multifamily division has developed more than 5,000 units.

See attached Previous Participation Certification and Schedule A for low-income housing tax credit experience.

- 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.

N/A

3. Non-profit Involvement

Non-profit Questionnaire, cont'd

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

Yes No

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

Yes No

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

Yes No

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

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

The non-profit is the owner of 100% of the shares and interest of the General Partner.

- (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/Option, a separate document, is provided in 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:

AHC developed the project concept, engaged the design team, led the design process, and is coordinating the financing. AHC will also provide construction management services and AHC Management will provide property management services.

- (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):
AHC's wholly-owned property management affiliate, AHC Management LLC, will manage the day-to-day operations of the property during the Extended Use Period. AHC's Asset Management and Senior Staff will monitor the financial performance of the property during this period as well.

(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:
AHC staff will invest thousands of hours on all aspects of development of this project, as well as its ongoing performance.
AHC Asset Management and Senior Staff will invest hundreds of hours annually overseeing this property's operations.

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?
AHC continuously seeks opportunities to preserve and grow affordable housing within the region. The supply of new affordable housing units in Arlington County has not grown to meet demand. AHC Inc. acquired the Arlington View Terrace property in 1982.
The property is aging and zoning allows additional density, which led AHC to determine that a redevelopment of the largest land parcel is critical to preserving and adding additional units to this affordable housing community at Arlington View Terrace East.

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:
AVT Housing Corporation, of which AHC Inc. has 100% ownership interest.

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.
N/A

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?
N/A

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

Non-profit Questionnaire, cont'd

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

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

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

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

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

N/A

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

Non-profit Questionnaire, cont'd

4. Virginia and Community Activity

- a. Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia? Yes No
- b. Define the non-profit's geographic target area or population to be served:
AHC's primary focus area is Northern Virginia, including Arlington, Alexandria, and Fairfax. The population serviced is low- and moderate-income residents. AHC is also active in Montgomery County, Maryland, Baltimore City, and Washington, D.C.
- 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:
AHC has been involved in affordable housing development and initiatives in Northern Virginia since 1975. This will be AHC's eighth new construction development in Arlington. AHC has also developed or redeveloped over 3,500 units in Arlington County.
- 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:
AHC is a CHDO organization.
- 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:
AHC has strong financial and community support throughout Northern Virginia. We raise more than \$1 million annually to support our robust Resident Services programs. Sources include individual and corporate donors, private foundations, and local and state governments. Public financial support is also typically a crucial part of each affordable housing community we develop. We rely on the support of many local Partners and residents to help us advocate for those public dollars.
- 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:
AHC has held several public meetings to discuss the design and impact of the proposed development, including with the Arlington View Civic Association. Meeting dates were: 12/5/19, 12/11/19, 12/18/19, and 2/13/20.
- 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 AHC board meets six times per year. AHC also holds an annual meeting each fall which is open to the public.

k. Has the non-profit received a Community Housing Development Organization (CHDO) designation, as defined by the U. S. Department of Housing and Urban Development's HOME regulations, from the state or a local participating jurisdiction? Yes No

l. Has the non-profit been awarded state or local funds for the purpose of supporting overhead and operating expenses? Yes No If yes, explain in detail:

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

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

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).
See Schedule A of previous developments included in the application (Tab D).

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:
The larger Arlington View Terrace property received 4% Low Income Housing Tax Credits from VHDA to complete a renovation in 2001.

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:
AHC or its affiliates have received funds for 27 multifamily projects. AHC has also received state funding for homeownership projects.

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.

February 26, 2020

Date



Owner/Applicant

By: Walter D. Webdale

Its: President

Title

February 26, 2020

Date


Non-profit

By: Justin Oliver

Board Chairman

Non-profit Questionnaire, cont'd

By: 
Executive Director

Internal Revenue Service
District Director

Department of the Treasury

Date: OCT 27 1978

Our Letter Dated:
September 17, 1978

Person to Contact:
G. Cunningham

Contact Telephone Number:
(301) 962-4773

> Arlington Housing Corporation
2055 North 15th Street
Arlington, Virginia 22201

Dear Sir:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Internal Revenue Code, because you are an organization of the type described in section * . Your exempt status under section 501(c)(3) of the code is still in effect.

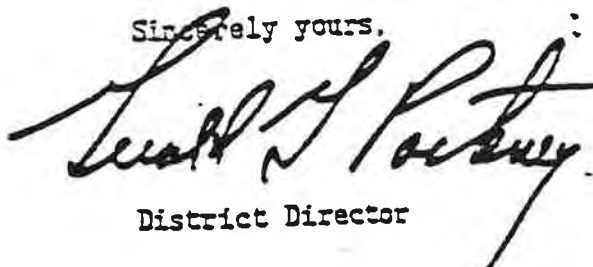
Grantors and contributors may rely on this determination until the Internal Revenue Service publishes notice to the contrary. However, a grantor or a contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section * status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section * organization.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

*Sections 509(a)(1) & 170(b)(1)(A)(vi).

Sincerely yours,



District Director

CUNTON MILLER
CHAIRMAN

THEODORE V. MORRISON, JR.
COMMISSIONER

HULLYHEN WILLIAMS MOORE
COMMISSIONER



JAN 13 1999
WILLIAM J. BRIDGE
CLERK OF THE COMMISSION
P.O. BOX 1197
RICHMOND, VIRGINIA 23218-1197

STATE CORPORATION COMMISSION

December 30, 1998

AUSTIN P FRUM
ARLINGTON HOUSING CORPORATION
2300 NINTH ST SUITE 200
ARLINGTON, VA 22204

RE: AHC Inc.
ID: 0163391 - 6
DCN: 98-12-30-0055

This is your receipt for \$25.00 covering the fees for filing articles of amendment to change the corporate name with this office.

The effective date of the certificate of amendment is December 30, 1998.

Sincerely yours,

Joel H. Peck
Clerk of the Commission

AMENACPT
CIS20436

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

December 30, 1998

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

AHC Inc,
(FORMERLY ARLINGTON HOUSING CORPORATION)

to comply with the requirements of law, and confirms payment of all related fees.

Therefore, it is ORDERED that this

CERTIFICATE OF AMENDMENT

be issued and admitted to record with the articles of amendment in the Office of the Clerk of the Commission, effective December 30, 1998 at 12:07 PM.

The corporation is granted the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By



Commissioner

AMENACPT
CIS20436
98-12-30-0055

AHC Inc. Board of Directors 2019-20

Officers of the Board: Chair, Justin Oliver; Vice Chair, (Bob Bushkoff); President, Walter D. Webdale; Secretary, David Barsky; Treasurer, C.C. Jenkins; Assistant Treasurer, Steve Yeatman; Assistant Secretary, Stephen Smith.

Executive Committee: Justin Oliver (Chair), **Election Pending** (Vice Chair) Walter Webdale (President), **Election Pending** (at large) Bob Bushkoff (at large)

Number of Board Members: 10 Number of CHODO: 5

<u>Member</u>	<u>Address, Phone, Fax & Email</u>	<u>Term Status</u>	<u>CHDO</u>
David Barsky	2900 N. Dinwiddie Street Arlington, VA 22207 H: 703-534-0178 W: 202-293-8200 C: 202-905-7707 E: dbarsky@krooth.com	3 rd Term Begins: 2019 3 rd Term Ends: 2022	No. Yorktown.
Robert Bushkoff	3804 N. Tazewell Street Arlington, VA 22207-4556 W: 703-356-6900 x353 C: 703-862-5956 E: rbushkoff@ditmarcompany.com	3 rd Term Begins: 2018 3 rd Term Ends: 2021	No. Old Glebe. Public Representation: Appointed to Economic Development Commission of Arlington.
Wanda L. Pierce	3120 17 th St., South Arlington, VA 22204 C: 571-332-4364 wpierce16@gmail.com	1 st Term Begins: 2018 1 st Term Ends: 2021	YES. Lives in Green Valley neighborhood.
Ginger Brown	5151 14th St., North Arlington, VA 22205 C: 703-772-8441 ginger.brown@leehighwayalliance.com	1 st Term Begins: 2019 1 st Term Ends: 2022	No. Waverly Hills.
C.C. Jenkins (Carlton)	1727 S. Nelson Street Arlington, VA 22204 H: 703-979-8899 C: 703-859-5064 Does not use email.	2 nd Term Begins 2019 2 nd Term Ends 2022	YES. Serves on Green Valley Revitalization Organization and Finance Committee of the Bonder & Amanda Johnson CDC
Justin C. Oliver	Primary: 10255 Cherokee Road Richmond, VA 23235 Secondary: 701 2 nd St., SE #225 Washington, DC 20002 W: 804-355-0022 W-Main: 202-494-3527 H: 703-532-3705 E: joliver@oliverproperties.com	3 rd Term Begins: 2019 3 rd Term Ends: 2022	No. Richmond.

<u>Number</u>	<u>Address, Phone, Fax & Email</u>	<u>Term Status</u>	<u>CHDO</u>
Catherine Saadat	1005 S. Quinn St. Arlington, VA 22204 C: 703-859-4128 W: 240-364-2654 E: csaadat@aronsonllc.com	1 st Term Begins: 2018 1 st Term Ends: 2021	YES. Lives in Arlington View.
Rachael Schroeder	4700 6 th Street, South Arlington, VA 22204 C: 703-626-1586 E: schroeder.rachael@gmail.com	1 st Term Begins: 2018 1 st Term Ends: 2021	YES. Lives in Barcroft.
Terron Sims	2005 Key Blvd, apt# 578 Arlington, VA 22201 C: 703-717-2973 terronsims@gmail.com	1 st Term Begins: 2019 1 st Term Ends: 2022	YES. Serves on Green Valley Revitalization Organization.
Walter D. Webdale	11661 Mediterranean Court Reston, VA 22090 W: 703 486-0626 x 120 C: 571-236-5955 F: 793 486-0653 E: webdale@ahcinc.org	N/A	No.

Articles of Amendment of
Arlington Housing Corporation

ONE

The name of the corporation is Arlington Housing Corporation, changed to "AHC Inc." by this amendment.

TWO

The Articles of Incorporation are hereby amended by changing Article 1 to read as follows:

1. The name of the corporation is AHC Inc.

THREE

The foregoing amendment was adopted by the Board of Directors on July 14, 1998, and by the members on October 1, 1998.

FOUR

The amendment was adopted by at least two-thirds of the directors in office.

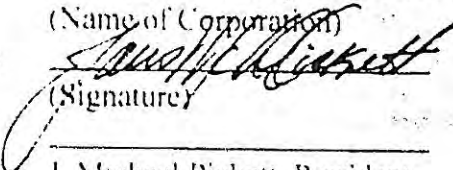
On September 1, 1998, being not less than twenty-five days nor more than sixty days before the regular meeting of the members of the corporation, written notice of the meeting was given personally or by mail to each member entitled to vote on the proposed amendment. The notice stated the place, day and hour of the meeting and the purpose for which it was called, and was accompanied by copy of the proposed amendment.

On October 1, 1998, a quorum being present, the meeting of the members was held and the proposed amendment was adopted by receiving more than two-thirds of the votes entitled to be cast by members present at the meeting.

The undersigned President of the Corporation declares that the facts herem stated are true as of December 29, 1998.

AHC Inc., formerly known as Arlington Housing Corporation
(Name of Corporation)

By:


(Signature)

J. Michael Pickett, President

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

December 30, 1998

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

AHC Inc.
(FORMERLY ARLINGTON HOUSING CORPORATION)

to comply with the requirements of law, and confirms payment of all related fees.

Therefore, it is ORDERED that this

CERTIFICATE OF AMENDMENT

be issued and admitted to record with the articles of amendment in the Office of the Clerk of the Commission, effective December 30, 1998 at 12:07 PM.

The corporation is granted the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By



Commissioner

AMENACPT
CIS20436
98-12-30-0055

ARTICLES OF AMENDMENT
OF
THE ARTICLES OF INCORPORATION
OF
ARLINGTON HOUSING CORPORATION

A. By a consent of directors in lieu of a meeting as of March 12, 1996, the board of directors of Arlington Housing Corporation unanimously found the following restatement of the purposes for which the corporation is organized and an amendment of the corporation's articles of incorporation to effect such restatement to be in the best interests of the corporation and directed that it be submitted to a vote of the members having the right to vote on amendments at a special meeting of the membership.

The corporation is organized exclusively for charitable purposes --

- (a) to expand and improve housing opportunities for low and moderate income households within and outside Arlington County, both by preserving and renovating existing structures and by providing new housing units; and to sponsor, develop and operate multifamily housing and to provide guidance in the management of the long term financial affairs of the housing that is created;
- (b) to cooperate with federal, state and local agencies, private organizations and community groups in developing programs designed to meet low and moderate income housing problems and to assist the residents of the communities it serves in the utilization of all available resources to meet their housing needs; and
- (c) to further the economic development of the communities it serves and to promote and assist the development of business concerns in such communities.

B. On March 26, 1996, being not less than twenty-five days nor more than sixty days before a special meeting of the members to act upon the proposed amendment, written notice of the meeting was given personally or by mail to each member entitled to vote on the proposed amendment. The notice stated the place, day and hour of the meeting and the purpose for which it was called, and was accompanied by a copy of the proposed amendment.

C. On April 23, 1996, a quorum being present, the meeting of the members was held and the proposed amendment was adopted by receiving more than two-thirds of the votes entitled to be cast by members present at the meeting.

EXECUTED in the name of the corporation by its president and its secretary who declare under the penalties of perjury that the facts stated herein are true.

DATED: May 4, 1996

June

ARLINGTON HOUSING CORPORATION

By: 
David Sylvester, President

and

By: 
Martha Duggan, Secretary

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

June 11, 1996

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

ARLINGTON HOUSING CORPORATION

to comply with the requirements of law, and confirms payment of all related fees.

Therefore, it is ORDERED that this

CERTIFICATE OF AMENDMENT

be issued and admitted to record with the articles of amendment in the Office of the Clerk of the Commission, effective June 11, 1996 at 10:19 AM.

The corporation is granted the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By



Commissioner

AMENACPT
CIS20460
96-06-10-0129

ARTICLES OF AMENDMENT
RESTATING THE ARTICLES OF INCORPORATION
OF
ARLINGTON HOUSING CORPORATION

A. On May 12, 1992, in a meeting, the board of directors of Arlington Housing Corporation found that the following proposed amendment and restatement of its articles of incorporation was in the best interests of the corporation and directed that it be submitted to a vote of the members having the right to vote on amendments.

1. The name of the corporation is Arlington Housing Corporation.

2. The corporation is organized exclusively for charitable purposes -

- (a) to expand and improve housing opportunities for low and moderate income households in Arlington County, both by preserving and renovating existing structures and by providing new housing units; and to sponsor, develop and operate multifamily housing and to provide guidance in the management of the long term financial affairs of the housing that is created;
- (b) to cooperate with federal, state and local agencies, private organizations, and community groups in developing programs designed to meet low and moderate income housing problems and to assist the residents of Arlington County in the utilization of all available resources to meet their housing needs; and
- (c) to further the economic development of Arlington County, Virginia, and its environs, and to promote and assist the development of business concerns in the community.

3. The corporation shall have all powers necessary or desirable to effect the purposes for which it is organized.

4. (a) The corporation shall have one class of members. The criterion for membership shall be the payment of annual dues.

(b) The voting powers, rights and interests of all members shall be equal, and each member shall be entitled to one vote on any and all questions coming before the members. On any such questions, the affirmative vote of a simple majority, or such greater majority as may be required by law, of the membership shall be required. Every member of the corporation entitled to vote at any meeting of the members may be represented and vote by proxy.

(c) No membership shall be transferable.

(d) Any member who fails to comply with the requirements of the bylaws, or any rules and regulations made pursuant thereto, shall forfeit his membership and any and all rights and interest in the corporation.

5. The number of directors of the corporation shall be fixed by the bylaws and, in the absence of a bylaw fixing the number, the number shall be three. Directors shall hold office for three year terms. As nearly as possible, one-third of the directors shall be elected at each annual meeting of the membership.

6. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors or officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 2 hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law), or (b) by a corporation contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law).

7. Upon the dissolution of the corporation, the board of directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated

exclusively for charitable, educational, religious or scientific purposes as at the time shall qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law), as the board of directors shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of Arlington County, exclusively for such purposes, or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

8. (a) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitratve or investigative (including an action or suit by or in the right of the corporation to procure a judgment in its favor) by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against judgments, fines, amounts paid in settlement, and expenses (including attorney's fees) actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in the manner he reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

(b) Any indemnity under subsection (a) above shall (unless authorized by a court) be made by the corporation only as authorized in the specific case upon a determination that the director or officer was not guilty of gross negligence or willful misconduct in the performance of his duty and, in case of a settlement, that such settlement was, or if still to be made is, consistent with such indemnity and the best interests of the corporation. Such determination shall be made (i) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion. If the determination is to be made by the board of directors, it may rely, as to all questions of law, on the advice of independent counsel.

(c) Expenses incurred in defending an action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by vote of the persons provided in subsection (b)

of this section, upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this section.

(d) The right of indemnification provided by this section shall not be exclusive of any rights to which any director or officer may be entitled, including any right under policies of insurance that may be purchased and maintained by the corporation or others, even as to claims, issues or matters in relation to which the corporation would not have the power to indemnify such director or officer under the provisions of this section.

(e) The corporation may purchase and maintain at its sole expense insurance against all liabilities or losses it may sustain in consequence of the indemnification provided for in this section, in such amounts and on such terms and conditions as the board of directors may deem reasonable.

B. On June 1, 1992, being not less than twenty-five days nor more than sixty days before the meeting of the members to act upon the proposed amendment, written notice of the meeting was given personally or by mail to each member entitled to vote on the proposed amendment. The notice stated the place, day and hour of the meeting and the purposes for which it was called, and was accompanied by a copy of the proposed amendment.

C. On June 26, 1992, a quorum being present, the annual meeting of the members was held and the proposed amendment was adopted by receiving more than two-thirds of the votes entitled to be cast by members present at the meeting.

EXECUTED in the name of the corporation by its president and its secretary who declare under the penalties of perjury that the facts stated herein are true.

Dated July 14, 1992.

ARLINGTON HOUSING CORPORATION

By: 
Lawrence A. Withers, President

and

By: 
Beryl Boothe, Secretary

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

July 22, 1992

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

ARLINGTON HOUSING CORPORATION

to comply with the requirements of law, and confirms payment of
all related fees.

Therefore, it is ORDERED that this

CERTIFICATE OF RESTATEMENT

be issued and admitted to record with the articles of amendment in
the Office of the Clerk of the Commission, effective July 22,
1992.

The corporation is granted the authority conferred on it by law in
accordance with the articles, subject to the conditions and
restrictions imposed by law.

STATE CORPORATION COMMISSION

By



Commissioner

AMENACPT
CIS20436
92-07-20-0061

J

Relocation Plan

(MANDATORY, if tenants are displaced)

Must include a unit delivery schedule

Relocation Plan

Arlington View Terrace East

AHC Inc.

3/9/20

Table of Contents

OVERVIEW AND RESIDENT PROFILE 5

 Property Profile 5

 Resident Profile 6

 Affordable Apartments 7

OCCUPANCY STANDARDS FOR ALL RESIDENTS 8

RELOCATION OF RESIDENTS 8

 Overview 8

 Moving Assistance For Residents 9

 Payment Schedule for Residents 10

 Summary of Relocation Commitments 11

RETURNING TO ARLINGTON VIEW TERRACE 12

COMMUNICATION WITH RESIDENTS 13

 Meetings 13

 Drop-in and One-On-One Appointments 13

 Additional Information 14

Estimated Schedule for Resident Relocation 15

Anticipated Unit Delivery Schedule 16

Arlington View Terrace East Contact Sheet and Hours of Operation

Relocation Consultant: Housing Opportunities Unlimited

Chris Jones
Project Director
Office/Cell: 804-690-8076
cjones@housingopportunities.com

Jeray Wilson
Relocation Coordinator
Office/Cell (202) 907-7747
jwilson@housingopportunities.com

Office Hours M-F 9-5; evenings and weekends by appointment as requested
Relocation staff office hours to be posted on site when applicable

AHC Management Star Rowell
Community Manager, Arlington View Terrace
Phone: 703-521-4010
Star.rowell@ahcmgmt.com

Andre Chapman
Regional Manager
Phone: 703-271-8400 x 1129
andre.chapman@ahcmgmt.com

Relocation Oversight: Arlington County Office
Hector Mercado
Phone: 703-228-3805
hmerca@arlingtonva.us

Hours of Operation:

Relocation staff person will be available on-site beginning in July 2020.

Monday thru Thursday: TBD

Friday: TBD

Saturday & Sunday: By appointment only

Translation services will be provided as needed.

OVERVIEW AND RESIDENT PROFILE

The following resident relocation plan (“Plan”) was prepared by AHC Inc., the owner and developer overseeing the redevelopment of a portion of Arlington View Terrace (“AVT”). AHC is committed to providing residents with a safe, affordable and attractive place to live. This Plan addresses the relocation needs of current and future residents living at AVT.

Arlington View Terrace is a garden apartment complex with buildings built in 1960. It is located in the Arlington Views neighborhood in south Arlington, Virginia at 1420 South Rolfe Street. AHC acquired the community in 1982 and completed a modest redevelopment in 2002. The property consists of 77 units within 7 buildings. All of the units are affordable and covered by a project-based Section 8 contract.

AHC is proposing to replace an existing 30-unit building on the largest parcel with a new construction 77-unit building. The new construction building on this parcel will more than double the number of long-term affordable units on the parcel and will add family-sized units in a neighborhood already experiencing increased housing costs resulting from Amazon’s move into nearby Crystal City. Prior to the closing of the project’s construction financing, residents will be relocated to allow for demolition of the existing building. The construction is anticipated to start in April of 2021.

Property Profile

Arlington View Terrace was last renovated in 2002 using 4% Low Income Housing Tax Credits (LIHTCs) and tax-exempt bonds. The new construction building will be structured as a 9% tax credit deal with an Arlington County Affordable Housing Investment Fund (AHIF) loan and other subordinate financing. AHC will distribute the 30 existing HAP units that are in the current building throughout the new construction building, subject to discussions with HUD. The property will comply with all Arlington County and LIHTC requirements, and 100% of the units in the new construction building will be committed affordable between 30% - 60% of AMI for 75 years. Final completion of the AVT new construction building (which will be called Arlington View Terrace East) is expected to occur 24-36 months from the time residents are first relocated.

Please see Table 1 below for the proposed future breakdown by unit size and income level.

Table 1. The New AVT					
	Studio	1BR	2 BR	3BR	Totals
30% AMI	1	3	2	2	8
50% AMI (HAP)	0	0	20	0	20
50% AMI	0	5	0	6	11
60% AMI (HAP)	0	0	10	0	10
60% AMI	0	6	15	7	28
Totals	1	14	47	15	77

In anticipation of a Spring 2021 construction start on Arlington View Terrace East, all current residents in the 30-unit building to be demolished will be permanently relocated before the demolition of the existing building commences. The formal relocation process could start as early as July 1, 2020. Preparation for the relocation process will begin in May 2020 with resident interviews and surveys.

Resident Profile

The existing building at Arlington View Terrace that will be demolished, as of 12/1/19, had the following demographics (out of 30 units):

- 14 households with school-age children
- 6 households with elderly residents
- 9 residents who have lived at the property for over 20 years, and 19 who have lived at the property more than 10 years
- 0 households with a disabled resident (please note none of the units at Arlington View Terrace are ADA-accessible)
- Income levels vary from 0% AMI through 80% AMI, with the majority of residents earning less than 50% AMI. All residents were income-qualified at initial lease.
- 100% of the units are covered by the HAP contract.

Amharic and English are the predominate languages spoken at AVT.

As part of their scope of work, the relocation consultant will be conducting assessments of all 30 resident households to determine residents’ special needs during the renovation. The consultant will take special account of households with school-age children so that relocation housing options accommodate children’s current schools and transportation.

Affordable Apartments

When applying to rent an affordable apartment at the current Arlington View Terrace, per the HAP rental assistance contract, individuals and families cannot earn more than 50% of area median income (AMI) shown by household size in Table 2.

Table 2. Income Limits for Affordable Apartments (As of 12/1/19)	
Number of Persons in Household	50%
1	\$42,500
2	\$48,550
3	\$54,600
4	\$60,650

The maximum allowable rents for the existing apartments is based on the current HAP contract (subject to adjustments) and shown in Table 3. All units in the existing building are two-bedroom apartments.

Table 3. Gross Affordable Rents (As of 12/1/19)	
Rental Rates	2-Bedroom
HAP Effective 11/1/19	\$1,140

Residents pay 30% of their certified income towards rent, and the HAP contract subsidy pays the remaining rent. At the new Arlington View Terrace East, HUD will “mark up” the rents allowable under the HAP contract to reflect the newer building’s value. However, residents will continue to pay no more than 30% of their certified income toward rent and the HAP contract will continue to pay the remaining rent. The contract rents and utility rates will be examined on an annual basis as

allowed by Section 8 regulations, and residents will be given proper and timely notice of any revisions.

OCCUPANCY STANDARDS FOR ALL RESIDENTS

Occupancy standards are established for the comfort and well-being of our residents and to prevent overcrowding. The standards for occupancy are the same for all apartments. Please see Table 4 below.

Table 4. Occupancy Standards				
Unit Type	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom
Maximum Number of Occupants	2	2	4	6

RELOCATION OF RESIDENTS

Overview

Due to the length of the construction period, all 30 current AVT residents will be considered permanently relocated as defined by Uniform Relocation Act and VHDA Relocation Guidelines. AHC’s goal is to find permanent housing for all eligible AVT residents at either AHC sister communities in close proximity to AVT or at other nearby rental properties, and ultimately for AVT residents to be given the opportunity to move back to the new building. The relocation team will vacate the 30-unit building over the course of approximately 26 weeks. Relocation assistance will be provided to all residents in accordance with Arlington County Relocation Guidelines and applicable federal, state, and local laws. The first relocation notices may be sent as early as July 1, 2020.

To be eligible for relocation assistance, residents should remain in “good standing,” that is, not in violation of their lease and current with their income certification and rental payments. Prior to distribution of 30-day notices, one-on-one interviews will be conducted by the relocation consultant with each household to obtain relevant resident information, identify particular relocation needs and explain the process and all eligible benefits. A summary of all relocation services that will be offered to eligible residents is on page 11.

All 30 AVT units are currently supported by rental subsidy through a project-based HAP contract. Prior to relocation of residents, AHC will apply for “Section 8 Pass Through” approval from HUD under which the current AVT owner would lease a unit on behalf of the affected tenants in the permanent relocation housing. Arlington View Terrace residents would need only to interface with their current landlord under a sublease agreement for their assigned relocation unit. The residents

would continue to be responsible for the tenant share of the rent, which would be equal to or less than their current rent at AVT.

There will be no reduction in services at Arlington View Terrace during the resident relocation process.

120-Day and 30-Day Notices to Vacate

All residents will receive a minimum of 120-day “Notice to Vacate”, in accordance with all applicable County, VHDA, and Federal relocation guidelines and laws. The notices will be delivered in person to each occupied apartment and sent by registered mail. The initial date of receipt will be the effective date of the notice. Residents will be given 30 days notice to vacate when the time for relocation is approaching. The 30-day notices sent to residents will also meet all County, VHDA, and Federal relocation guidelines and requirements.

Moving Assistance For Residents

AHC will provide eligible households with assistance in moving from their apartment per the two options below. Residents are eligible for moving assistance if they are in “good standing” while remaining in tenancy at AVT on the date that the 120-day “Notice to Vacate” is issued for their particular unit. Residents are responsible for packing all of their own belongings. Free boxes and tape will be provided as needed.

Each household can choose ONE of the following options:

1. AHC will be arranging moves and covering all moving expenses, including packing supplies, transportation, and storage if needed. AHC will be covering any difference between the resident’s rent at the relocation unit and their rent at AVT. AHC will be covering any additional utility or security deposits required at the housing unit. No additional payments will be provided.
2. In the event that a resident prefers to cover his or her own moving expenses, reimbursement of costs will be provided. If a resident chooses Option 2 and decides to use their own movers, the resident must turn in the moving receipts in order to be reimbursed. They will not be reimbursed for moving expenses without actual receipts. Free boxes and tape will be provided. Reimbursement will be limited to the amounts listed in the following chart, as provided by the Uniform Relocation Act and VHDA:

https://www.fhwa.dot.gov/real_estate/uniform_act/relocation/moving_cost_schedule.cfm

In addition to helping with the move, AHC will provide eligible households with the standard relocation payment listed in Table 5, Column 2 below. Each household (1 unit = 1 household) is limited to one relocation payment per move. Households with incomes in excess of 50% AMI will receive the standard relocation payment. Households with incomes at or below 50% AMI will receive 1.5 times the amount of the standard payment (Table 5, Column 3).

Table 5. Household Relocation Payments		
Number of Rooms	Standard Relocation Payment	Relocation Payment for Residents with Incomes Below 50% AMI
4	\$1,320	\$1,980
5	\$1,500	\$2,250

Payment Schedule for Residents

The provisions detailed in this section are standard per Arlington County relocation guidelines. Relocation payments assist with payments towards the resident's moving costs and moving materials as well as utility connection/disconnection fees.

Relocation payments to residents will be made in two stages as outlined below. Lump sum payments will be made in hardship cases.

- First, sixty percent (60%) of the resident relocation payment will be paid to the qualified resident in approximately fifteen business days following AHC’s receipt of the resident’s written notice expressing the resident's intention to move by the “move-out” date. AHC requests that residents provide at least 24-hour written notice before vacating their unit. AHC prefers 30-days’ notice; however, we will honor the aforementioned provisions. This notice will facilitate residents receiving their relocation payment and security deposit in a timely manner.
- Second, on the date that the unit is vacated in a condition in accordance with the terms of the resident's lease and “Notice to Vacate”, and the resident has returned keys to the unit,

the balance of the relocation payment due to the resident will be delivered at their forwarding address, or made available for pick up at the AVT management or relocation office.

At the time of relocation, residents will receive their full security deposit plus interest as long as the apartment is left in good condition with no excessive damage, and the resident does not owe back rent.

Summary of Relocation Commitments

AHC has contracted with Housing Opportunities Unlimited (HOU) to support the relocation process. HOU has extensive experience in conducting relocation activities in Arlington County and will be able to identify housing options as well as County resources to facilitate a smooth transition for residents. The following relocation services will be provided under this program:

- Residents will receive free moving assistance or be reimbursed for moving costs.
- Residents will receive a relocation payment.
- Written notice will be delivered to all residents detailing these relocation benefits and conditions.
- One-on-one interviews will be conducted with each household to obtain relevant resident information, identify particular relocation needs and explain the process and all eligible benefits.
- Current listings of apartment vacancies (affordable to residents) in Arlington and bordering jurisdictions will be made available to residents.
- Relocation staff will pay special attention to the challenges of the elderly, disabled and families with children (i.e. packing, timing moves around school schedules, etc.).
- Resident assistance will be provided to identify County agencies that address special needs of the Arlington County population.
- AHC and the relocation consultant will assist residents with school-aged children communicate with their current school to minimize disruption to students.
- AHC will reimburse or pay all other expenses related to the relocation, including utility transfers, deposits, or other such fees.
- If a resident does not drive or has limited mobility and needs help with transportation to/from their relocation housing, AHC will assist with the cost of transportation. Seniors and persons

with disabilities will be given first priority for transportation assistance.

- Residents will be assisted in completing applications and other required paperwork when applying to rent at another property.
- AHC will complete rental verifications in an expedited manner, when requested, as part of a family’s relocation to a new community.
- A relocation staff person will be available on-site starting at the time the first 120 day notices are delivered. Hours will be determined based on resident needs, but are expected to be approximately 20 hours / week. Translation and interpretation services will be provided in other languages as needed. Spring 2020 office hours will be posted as available.

RETURNING TO ARLINGTON VIEW TERRACE

The new Arlington View Terrace East will consist of a 77-unit apartment building with units affordable at 30%, 50% and 60% of AMI. All AVT residents will be able to return to the same size unit at the new building as they have currently. All households are expected to continue to qualify for occupancy at the new Arlington View Terrace East. AHC will pay moving costs into the new building as described on page 8.

At the beginning of the relocation process, a resident profile will be created for each current AVT resident. It will include the resident’s household size, income, number of bedrooms needed, name, address, phone and email contact information. This information is entered onto an Excel spreadsheet and updated every quarter. Residents are encouraged to contact AHC any time their contact information changes.

When a resident is scheduled to move from AVT, the resident will be asked if they would like to return to Arlington View Terrace East. This will also be noted in their resident profile and their name will be added to a separate waiting list for apartments at the redeveloped Arlington View Terrace East.

AVT residents on the waiting list will have first priority to rent an apartment at the redeveloped Arlington View Terrace East. AHC will follow the Priority Ranking System provided by Arlington County (Table 6). The relocation service provider will assign preliminary points to each household.

Table 6. Resident Priority Ranking System	
Household	Point(s)

Child under 18 years of age	1 Point per child
A member of the household is 62 years of age or older.	2 Points
A member of the household has a disability.	2 Points
Household currently receives rental assistance.	1 Point
Household previously displaced by redevelopment in Arlington County.	1 Point
Years of tenancy:	1 Point per year

COMMUNICATION WITH RESIDENTS

Meetings

AHC will hold periodic meetings on relocation leading up to the start of the relocation process so that residents have several opportunities to learn about the relocation process, receive regular updates or learn of changes to the process, and ask questions. Meetings will be held at a place convenient to the residents. Ample time will be allotted for questions. Interpretation services will be offered at relocation meetings, and distributed documents will be translated. The initial meeting with residents will begin with an overview of the plans to redevelop AVT followed by a general discussion of resident relocation and important dates.

Drop-in and One-On-One Appointments

The management office welcomes residents to stop by the office at any time during regular business hours. To ensure adequate time to discuss any concerns, AHC recommends that residents come by the office to schedule an appointment. Relocation staff will be available during business hours by appointment or on a pre-determined schedule.

Additional Information

Additionally, residents will receive the following information:

- Name, address, and contact persons for the relocation team and the owner representatives.

1. The relocation consultant is Housing Opportunities Unlimited. Housing Opportunities Unlimited can be reached as follows:

Chris Jones
Project Director
Office/Cell: 804-690-8076
cjones@housingopportunities.com

Jeray Wilson
Relocation Coordinator
Office/Cell (202) 907-7747
jwilson@housingopportunities.com

2. The Community Manager is Star Rowell. She can be reached at 703-521-4010 or rowell@ahcmgmt.com.

The Regional Property Manager is Andrew Chapman. He can be reached at 703-271-8400 x 1129 or andre.chapman@ahcmgmt.com

3. Owner representative: Haley Norris, Senior Development Manager. She can be reached at haley.norris@ahcinc.org or at (703) 486-0626 ext. 1170

Owner representative: Alan Goldstein, Director of Multifamily. He can be reached at alan.goldstein@ahcinc.org or at (703) 486-0626 ext. 1116

- Estimated timetable for each phase of the Redevelopment work and the relocation plan.
- Moving services available for all residents.

All 120-day notices to vacate, along with the relocation benefits letter, will be delivered to the residents prior to the commencement of redevelopment work. The notices will be hand delivered and sent by registered mail.

AHC will distribute the draft Relocation Plan to all residents. Residents will receive the final Relocation Plan once it has been approved by Arlington County and HUD.

Estimated Schedule for Resident Relocation

January 2020	Submit Relocation Plan to Arlington County
March 2020	Initial Resident Meeting
May 2020	Relocation Plan approved
May 2020	Relocation Team begins one-on-one resident interviews to gather information on each of the 30 households' needs during renovation
	Relocation staff available as needed on-site for resident inquiries
July 2020	120 day notices delivered to residents advising of upcoming renovation and relocation
Fall 2020	30 day notices delivered to residents
Winter 2021	Resident Relocation completed for 30 households
April 2021	Demolition and construction begin
Spring 2023	Arlington View Terrace East is completed and ready for occupancy. The 30 current residents may move into the new building.

Anticipated Unit Delivery Schedule

Arlington View Terrace East is anticipated to be complete by April of 2023. Thus, the proposed unit delivery schedule is:

- April 2023 – 77 units

At this time, all 30 current AVT residents will be notified that they can move back to the new building.

K

Documentation of
Development Location

K.1

Revitalization Area Certification

See pages 13 & 14 of Tab K.1



ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE COUNTY BOARD

2100 CLARENDON BOULEVARD, SUITE 300
ARLINGTON, VIRGINIA 22201-5406
(703) 228-3130 • FAX (703) 228-7430
E-MAIL: countyboard@arlingtonva.us



KENDRA JACOBS
CLERK TO
THE COUNTY BOARD

MEMBERS
LIBBY GARVEY
CHAIR
ERIK GUTSHALL
VICE CHAIR

KATIE CRISTOL
CHRISTIAN DORSEY
MATT DE FERRANTI

CERTIFICATION

I hereby certify that at its February 22, 2020 Regular Meeting, on a motion by MATT DE FERRANTI, MEMBER, seconded by CHRISTIAN DORSEY, MEMBER, and carried by a vote of 4 to 0, the voting recorded as follows: Libby Garvey, Chair - Aye, Christian Dorsey, Member - Aye, Katie Cristol, Member - Aye, and Matt de Ferranti, Member - Aye, the County Board of Arlington, Virginia, approved the **C.M. RECOMMENDATIONS** in the attached County Manager's report dated February 18, 2020 **SUBJECT:** Request for the County Board to: (i) commit to providing subsidized funding for the Arlington View Terrace redevelopment project by

(a) allocating \$7,257,000 in Fiscal Year 2020 Affordable Housing Investment Fund loan funds, and

(b) allocating \$984,000 in Transit Oriented Affordable Housing funds, for use by AHC Inc. (or its designated affiliate) to help finance the proposed redevelopment project, and (ii) adopt the attached resolution designating the area encompassing Arlington View Terrace Apartments as a "revitalization area" pursuant to Virginia Code Section 36-55.30:2.

Given under my hand this 25th day of February 2020.

SEAL

Kendra M. Jacobs, Clerk
Arlington County Board



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item Meeting of February 22, 2020

DATE: February 18, 2020

SUBJECT: Request for the County Board to: (i) commit to providing subsidized funding for the Arlington View Terrace redevelopment project by (a) allocating \$7,257,000 in Fiscal Year 2020 Affordable Housing Investment Fund loan funds, and (b) allocating \$984,000 in Transit Oriented Affordable Housing funds, for use by AHC Inc. (or its designated affiliate) to help finance the proposed redevelopment project, and (ii) adopt the attached resolution designating the area encompassing Arlington View Terrace Apartments as a “revitalization area” pursuant to Virginia Code Section 36-55.30:2.

C. M. RECOMMENDATION:

1. Allocate \$7,257,000 of FY 2020 Affordable Housing Investment Fund (AHIF) funds (101.495130.91102) to AHC Inc. or its designated County-approved ownership affiliate (AHC) (101.456300.91102), as an AHIF residual receipts loan to help finance AHC’s proposed redevelopment of a portion of Arlington View Terrace Apartments (Attachment 1) (AVT Project). The proposed \$7,257,000 AHIF residual receipts loan is subject to the allocation of federal 9% Low-Income Housing Tax Credits (LIHTCs) from the Virginia Housing Development Authority (VHDA) to AHC for the AVT Project in 2020, and the approval of final AHIF residual receipt loan documents by the County Board. The financing assistance would be in the form of a subordinated residual receipts loan subject to the loan terms and conditions outlined in this report (Attachment 2).
2. Allocate \$984,000 of FY 2020 Transit Oriented Affordable Housing (TOAH) funds to AHC (336.455100.72402) to assist AHC with the payment of certain County fees and infrastructure costs related to the AVT Project. The proposed \$984,000 in TOAH funding is subject to the allocation of federal 9% LIHTCs from VHDA to AHC for the AVT Project in 2020 and the approval of the final terms and conditions as set forth in the TOAH financing documents by the County Board.
3. Adopt the attached Revitalization Area Resolution to designate the Arlington View

County Manager: 

County Attorney:  

Staff: Melissa Danowski, CPHD-Housing Division

25.

Terrace property at 1420 South Rolfe Street as a Revitalization Area pursuant to Section 36-55.30:2 of the Code of Virginia, as amended (Attachment 3).

ISSUES: There are no known issues at this time.

SUMMARY: In order to support its application to the Virginia Housing Development Authority (VHDA) to receive an allocation of federal 9% Low-Income Housing Tax Credits (LIHTCs) for its redevelopment of a portion of Arlington View Terrace Apartments, AHC Inc. is requesting that the County Board (i) commit to providing subsidized funding for the proposed redevelopment project by (a) allocating \$7,257,000 in Fiscal Year 2020 Affordable Housing Investment Fund loan funds, and (b) allocating \$984,000 in Transit Oriented Affordable Housing (TOAH) funds, for use by AHC Inc. or its County approved affiliate (AHC) to help finance the proposed redevelopment project, and (ii) adopt the attached resolution designating the area encompassing Arlington View Terrace Apartments as a “revitalization area” pursuant to Virginia Code Section 36-55.30:2.

Currently, Arlington View Terrace Apartments has seven buildings with 77 committed affordable residential units (CAFs). AHC is proposing to redevelop one of the existing buildings that currently contains 30 CAFs by constructing a new apartment building in its place that will contain 77 CAFs, increasing the total number of CAFs at the Arlington View Terrace Apartments from 77 to 124.

A concurrent Neighborhoods Form Based Code application was submitted, and AHC received administrative approval for this application on January 31, 2020. AHC plans to submit a competitive 9% LIHTC application by March 12, 2020 to VHDA. If AHC is awarded the 9% LIHTCs by VHDA in 2020, construction is expected to be completed by Spring of 2023.

BACKGROUND: Arlington View Terrace Apartments (AVT) is an existing 77-unit CAF apartment community, containing seven buildings located in the Arlington View neighborhood near Columbia Pike. The development was built in 1959 and acquired by affiliates of AHC Inc. in 1982. The land on which the apartment buildings are located is owned by AHC Services Corporation, and the buildings are owned by AHC Limited Partnership -3. All existing units are subsidized by a HUD project-based Housing Assistance Payments (HAP) contract. AHC proposes redeveloping one building that contains 30 existing units into a new 77-unit building (124 total CAFs at the property) and is requesting County financing to assist with the acquisition of land and the construction of the 77 new CAFs. Once construction is complete, the existing HAP contract units would be redistributed throughout the property, subject to discussions with HUD. AHC will also be completing a Tenant Relocation Plan for the affected tenants in the 30 units that will be demolished, per the Tenant Relocation Guidelines.

AHC submitted a Fiscal Year (FY) 2020 Notice of Funding Availability (NOFA) application requesting \$6.9M in County financing to redevelop 30 of the existing units into a new 72-unit building (119 total CAFs at the property). They received a staff recommendation to continue the negotiation and public process. Since the time of the NOFA application, AHC has increased the proposed number of new construction units to 77 units (124 total CAFs at the property), added plans for solar energy, and increased the County funding request to \$8,241,000. Of this amount,

\$7,257,000 would be in the form of an AHIF loan and the remaining \$984,000 would be provided as a TOAH grant to assist AHC with the payment of certain County fees and infrastructure costs related to the development of the new CAFs. If AHC is successful in receiving an award of additional competitive sources, a portion of the AHIF funds (as much as \$776,000), would be deallocated prior to financing closing, anticipated for Spring 2021.

DISCUSSION:

Sustainability: The proposed new redevelopment building at AVT (AVTE Building) is designed to achieve EarthCraft Gold certification. It will include a solar energy installation that will be used to power the common areas of the building. Planned building amenities include a landscaped courtyard, fitness room, and a community room.

Digital Equity: Low-income residents often cannot afford internet access or can only afford service that provides very low bandwidth or limited service. Recognizing the impact that the digital divide has on low-income households, AHC will be providing free in-unit Internet access to the residents of the proposed AVTE Building.

Affordable Housing Program: The 77 newly constructed CAFs in the AVTE Building will be affordable for 75 years. Of the 77 total units, 10% (eight units) will be constructed to meet Uniform Federal Accessibility Standards and American National Standards Institute Type A requirements and two of those units will be accessible for those with hearing/visual impairments. The development will also include eight Permanent Supportive Housing (PSH) units. The PSH unit mix will include six 1-BR units (to include two Type A accessible units), one 2-BR unit, and one 3-BR unit.

The proposed unit and affordability mix is as follows:

Unit Type	30% AMI	50% AMI	60% AMI	Total
Studio	1	0	0	1
1 BR	3	5	6	14
2 BR	2	20	25	47
3 BR	2	6	7	15
Total	8	31	38	77

Of the total 77 units, approximately 10% will be affordable up to 30% of AMI, 40% of the units will be affordable up to 50% AMI, and the remaining 50% of the units will be affordable up to 60% AMI (Rent and Income Limits for Arlington County Affordable Housing Programs). Over half of the total units in the AVTE Building will be composed of family-sized units (81%). In total, the development will add 47 net new affordable housing units to the CAF inventory.

The proposal to construct a new multi-family housing building with 100% CAFs meets several of the Goals, Objectives and Policies of the County Board-adopted Affordable Housing Master Plan (AHMP), as follows:

AHMP Policy Number	Description
1.1.1	The development will create 77 new construction CAF units (47 net new CAFs) through County financial assistance.
1.1.5	The CAFs will be committed affordable for 75 years.
1.1.6	Approximately 10% of the CAFs will be affordable up to 30% of AMI (8 CAFs) and 40% of the units will be affordable up to 50% AMI (31 CAFs).
1.1.8	The development will add 17 net new 2-BR family sized units and 15 net new 3-BR family sized units to the CAF inventory.
1.1.9 and 3.2.2	The development will create 77 new construction CAFs near the transit corridors (Columbia Pike) providing access to transportation options, consistent with the County's adopted land use plans and policies.
2.3.2 and 2.5.2	The development will provide eight PSH units.
2.5.3	The development helps to maintain a sufficient supply of CAF units that are accessible for persons with physical and sensory disabilities by adding eight Type-A accessible units.
3.3.1 and 3.3.2	The development will incorporate environmental sustainability practices by obtaining certification for EarthCraft Gold and incorporating solar energy.
3.4.1 and 3.4.2	Affordability restrictions will be in place for 75 years; County loans ensure the financial feasibility of the development.

Revitalization Area: Applying for tax credits is a highly competitive process, with points awarded to projects that meet specific criteria. A project is eligible for 15 “Revitalization Area” points if it is located in a Revitalization Area that meets the definition set forth in Virginia Code § 36-55.30:2. To receive the points, a County Board resolution is needed citing the specific statutory criteria (Attachment 3). If the County Board designates the AVT property as a “Revitalization Area,” the designation will be used solely for the purpose of AHC’s LIHTC application, and if AHC is awarded LIHTC, for VHDA financing.

The proposed Revitalization Area is located within the boundaries of the County Board adopted Columbia Pike Neighborhoods Area Plan (the Plan), which calls for an increase in residential density. Part of the Plan’s vision for Columbia Pike is for development to support a diverse, mixed-income community with strong single family and multifamily neighborhoods that support the mixed-use commercial centers. This project meets the definition which cites the area “currently lacks housing needed to induce manufacturing, industrial, commercial, governmental, education, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area.”

In order to develop affordable housing at this site, it is necessary to provide assistance in the form of an AHIF loan. Therefore, this site would also meet the criteria that, “private enterprise

and investment are not reasonably expected, without assistance, to produce housing supporting the needs of low- and moderate-income persons and families.”

Development Budget and Financing Package: AHC plans to finance the development and construction of the AVTE Building with 9% LIHTC. The total development cost is estimated to be \$38,414,955, of which an estimated 5% will be acquisition cost, 71% will be construction hard costs, 12% will be for soft costs and reserves, 7% will be the developer fee, and 5% will be financing costs. Pending an award of 9% LIHTC by VHDA, AHC’s anticipated financing package for the project will include a VHDA first mortgage (including taxable bonds, REACH, and REACH Plus), tax credit equity, a deferred developer fee, a developer sponsor loan equity contribution, TOAH funds, and the AHIF loan. The proposed sources and uses are as follows:

ANTICIPATED AVTE BUILDING PROJECT SOURCES AND USES

SOURCES OF FUNDS		USES OF FUNDS	
LIHTC Investor Equity	\$ 19,010,099	Acquisition Cost	\$ 1,925,000
VHDA Loans [1]	\$ 9,172,000	Construction/Hard Costs	\$ 27,195,365
County AHIF Loan	\$ 7,257,000	Soft Costs	\$ 3,691,583
TOAH	\$ 984,000	Reserves	\$ 777,987
Sponsor Loan (AHC)	\$ 1,148,100	Financing Costs	\$ 2,060,371
Deferred Developer Fee	\$ 843,756	Developer Fee	\$ 2,764,649
TOTAL SOURCES	\$ 38,414,955	TOTAL USES	\$ 38,414,955

[1] It is anticipated that VHDA will loan the following funds: \$4,400,000 in taxable bond proceeds, \$2,772,000 from its REACH program and \$2,000,000 for its REACH Plus program.

AHIF Funds Requested: AHC is requesting \$8,241,000 in total County funds, of which \$7,257,000 would be in the form of an AHIF loan (\$94,247/unit) and \$984,000 would be in the form of a TOAH grant (\$12,779/unit). If AHC is successful in receiving an award of additional competitive sources, described below, as much as \$776,000 in AHIF would be deallocated prior to financing closing, anticipated for Spring 2021. The resulting AHIF loan would be \$6,481,000 (\$84,169/unit). The adjusted County fund request of \$7,465,000 (\$6,481,000 AHIF plus \$984,000 in TOAH funds) increased \$565,000 from the original NOFA application due to the incorporation of five additional CAFs and solar energy.

AHC intends to apply for competitive sources, which include \$500,000 in Federal Home Loan Bank (FHLB) funds and \$1,200,000 in Virginia Department of Housing and Community Development (DHCD) funds (\$1,700,000 total competitive sources). The applications for these competitive sources will be made after a VHDA tax credit allocation. Since VHDA does not allow uncommitted sources on their application, AHC has proposed that AHC and the County share this gap in the interim. On the County side, this means including \$776,000 in the initial AHIF funding allocation. If these sources are successfully obtained, \$776,000 of the County loan would be de-allocated (at closing) to the \$6,481,000 amount.

Meanwhile, AHC increased their initial \$747,100 sponsor loan by an additional \$401,000 to cover a portion of the uncommitted funding sources. If some or all of the competitive funding is received, AHC and the County will de-allocate their increased funding amounts proportionately (66% County, 34% AHC). The AHC sponsor loan will be no less than \$747,100. Also, if AHC

receives an award of 9% LIHTC by VHDA, at least \$6,481,000 in AHIF loan funds would need to be allocated due to the 9% LIHTC application rules for receiving tax credit points based on the subsidized funding level. As a result, if AHC is successful in obtaining the entire \$1,700,000 in competitive sources, the use of the additional sources of funding over the combined \$1,177,000 (\$776,000 AHIF loan amount to be de-allocated at closing plus \$401,000 reduction in AHC's sponsor loan) will be determined prior to financing closing. The additional funding sources could be used to achieve deeper affordability levels or other uses to be determined.

TOAH Funds: The Columbia Pike Tax Increment Financing (TIF) district was established as a funding mechanism for the TOAH fund, which is intended to promote affordable housing development within designated boundaries of the Columbia Pike corridor. Affordable housing developers who are applying for LIHTC may put TOAH funds towards infrastructure-related items (like underground utilities, tree preservation, and streetscaping) and County fees (such as Certificate of Occupancy, building permits and tap fees).

The TOAH balance is approximately \$984,000 and these funds would be provided as a grant. The proposed AVTE Building project would be the second development to utilize TOAH, the first being Gilliam Place which received \$745,298 in 2017.

AHIF Terms: Staff recommends the proposed \$7,257,000 AHIF loan have a 37-year term to be coterminous with the VHDA permanent financing 35-year loan term. During the first two years of the AHIF loan term, which coincides with the construction period, the AHIF loan will accrue interest at a rate of zero percent (0%) per annum. Thereafter, for the remaining 35 years of the term, the AHIF loan will accrue interest at a rate of 1.0% per annum, compounded annually. The AHIF loan will be secured by a deed of trust subordinated to the senior financing and repayable from the AVTE Building residual receipts. The proposed loan terms and conditions for the AHIF loan for the AVTE Building are detailed in Attachment 2.

Anticipated Timeline: Contingent upon County Board approval of the AVTE Building County financing request, AHC will apply for 9% LIHTC by March 12, 2020 and anticipates notification from VHDA of its award status by June 2020. If AHC receives an award, then County staff will bring forward a request to the County Board for approval of the County loan, TOAH, and subordination documents in Spring 2021. Following construction closing, AHC would begin demolition of the existing apartment building and begin construction, anticipated to be completed by Spring of 2023.

Existing Public-School Students and Student Generation Estimates: As of September 2019, there were 31 students residing at the AVT property. This includes 21 elementary school, 11 middle school, and 9 high school students. The distribution of students by school attended is not provided because of privacy reasons.

Arlington Public Schools (APS) projects 71 students at the entire AVT property once the new 77 units are built (124 total CAFs). This projection includes the students generated from the 77 new construction units as well as the students that would continue to reside in the remaining 47 garden apartment units. This development is currently zoned for Hoffman-Boston Elementary School, Gunston Middle School, and Wakefield High School.

- Number of Elementary School Students (K-5) generated: 39
- Number of Middle School Students (6-8) generated: 12
- Number of High School Students (9-12) generated: 20

The above estimates are generated by APS using the housing characteristics presented at the time of the AHIF application and using student generation factors that reflect the 2019-2020 school attendance boundaries. Should these housing unit characteristics or the student generation factors change, then the student generation estimates would also change. APS provides no guarantee that any residential development will continually be served by the same elementary, middle and/or high school(s).

PUBLIC ENGAGEMENT:

Level of Engagement: Involve

Outreach Methods: As part of the Neighborhoods Form Based Code approval process, the proposed development was presented to the Form Based Code Advisory Working Group (FBC AWG) on December 11, 2019 and presented to the Arlington View Civic Association on December 18, 2019. The development was also presented to the Housing Commission as an information item on December 5, 2019, at a “Bricks and Mortar” Housing Commission subcommittee meeting item on January 29, 2019, and as an action item at the Housing Commission’s February 13, 2020 meeting.

Community Feedback: Both the FBC AWG and the Arlington View Civic Association expressed general support for the development proposal. The Housing Commission expressed support for the AHIF loan fund, TOAH, and Revitalization Area Resolution requests by a vote of 9-1-1. One Commissioner abstained because they are an employee of AHC, Inc. The dissenting Commissioner indicated that they did not support the project due to the location in a Census tract with poverty levels that are comparatively high with the rest of Arlington. Staff responded that this development helps fulfill the ambitious affordability goals of the County Board adopted Columbia Pike Neighborhoods Area Plan and the Affordable Housing Master Plan.

FISCAL IMPACT: There are sufficient unallocated AHIF funds to support the \$7,257,000 AHIF request. There are also sufficient unallocated TOAH funds to support the \$984,000 TOAH request. In addition, it is anticipated that the inclusion of eight PSH units will have a fiscal impact on the County’s PSH program budget. The full year incremental cost increase to the budget is estimated to be approximately \$140,725 per fiscal year upon project completion and occupancy (anticipated in Spring 2023).

ATTACHMENT 1
Arlington View Terrace East (AVTE) Site
1420 South Rolfe Street



ATTACHMENT 2

Arlington View Terrace East AHIF Loan Terms and Conditions - \$7,257,000

1. The Applicant for the Arlington View Terrace East AHIF Loan ("Applicant") shall apply to the Virginia Housing Development Authority (VHDA) by March 12, 2020 for an annual 9% tax credit request. If the Applicant does not receive 9% credits from the 2020 award cycle, the Applicant commits to reapply for 9% credits in 2021.
2. The Applicant shall execute an Affordable Housing Investment Fund Loan Agreement ("AHIF Loan Agreement") and other related loan instruments, as drafted and finalized by the County Attorney, in a form acceptable to the County Manager and the County Attorney and subject to County Board approval.
3. The Applicant shall include these Arlington View Terrace East AHIF Loan Terms and Conditions when requesting proposals from senior lenders and investors. If any terms are negotiated between the Applicant and other parties that are in violation of these Loan Terms and Conditions, the Applicant must submit a request to the County Board to consider revision of these Loan Terms and Conditions as necessary to conform to the negotiated terms between the Applicant and such other parties.
4. Within 30 days of receipt of final third party debt and equity commitments, the Applicant shall submit a final sources and uses table for Arlington View Terrace East for approval by the County Manager or his designee.
5. The AHIF Loan shall be secured by Arlington View Terrace East, and shall be repayable from the project's Residual Receipts, as defined in the AHIF Loan Agreement. As set forth in the related promissory note, and subject to an Event of Default (as defined in the AHIF Loan Agreement), the unpaid principal balance of this AHIF Loan shall accrue at: zero interest for the two-year period of time commencing on the date of construction closing; and the below market rate of one percent (1.0%) per annum commencing on the date that is two years after construction closing, compounded annually as called for in the related promissory note. The term shall be thirty-eight (37) years from construction closing.
6. Beginning in the first operating year and each subsequent year during the loan term, the County shall receive fifty percent (50%) of the Arlington View Terrace East Residual Receipts as an annual payment towards the Arlington View Terrace East AHIF Loan.

Residual Receipts as defined in the County Loan Agreement, shall specifically include, but not be limited to, the amount by which gross revenues exceed annual debt service payments, approved operating expenses, payments to replacement reserve, and a priority payment fee of up to \$7,700 for AHC Asset Management and up to \$7,700 for AHC Resident Services, which can be escalated annually at two percent (2%). Any other fees or payments in excess of what is stated here must be paid from the Applicant's portion of Residual Receipts.

7. The Applicant shall receive a two million, seven-hundred and sixty-four thousand, six hundred and forty-nine dollar (\$2,764,649) developer fee for Arlington View Terrace East. The Applicant shall defer eight hundred forty-three thousand and seven hundred fifty-six dollars (\$843,756) of this developer fee as source of financing for Arlington View Terrace East.
8. The Applicant shall provide a one-million, one-hundred forty-eight thousand and one hundred dollar (\$1,148,100) sponsor loan or equivalent form of equity to Arlington View Terrace East. The sponsor loan or equivalent form of equity will be subordinate to the County loan.
9. If the Applicant secures additional sources of financing up to one million and one hundred thousand and seventy seven dollars (\$1,177,000) prior to construction closing, thirty-four percent (34%) of those proceeds up to four hundred and one thousand dollars (\$401,000) may be applied towards reducing the sponsor loan or equivalent form of equity referenced in Condition #8 above. The remaining sixty-six percent (66%) of proceeds up to seven hundred and seventy-six thousand dollars (\$776,000) shall be used to reduce the AHIF loan for Arlington View Terrace East.
10. The Applicant must comply with the affordable housing set-aside for the rental units in Arlington View Terrace East as follows: eight (8) of the units will be restricted to households earning up to thirty percent (30%) of the AMI; thirty-one (31) of the units will be restricted to households earning up to fifty percent (50%) of the AMI, and thirty-eight (38) units will be restricted to households earning up to sixty percent (60%) of the AMI for 75 years with the unit mix as shown in the table located in the "Affordable Housing Program" section of this document.
11. The Applicant agrees that the affordable rents shall be established in accordance with LIHTC rents as published annually by VHDA for the unit size, minus a utility allowance (if applicable) as per the Utility Allowance Schedule annually approved by HUD for the Arlington County, VA Housing Choice Voucher Program or other manner as permitted by applicable federal regulations and approved by the County or, if such LIHTC rents are not published by VHDA, then in accordance with HUD rent limits set for Arlington County.
12. The Applicant shall create a minimum of eight (8) fully accessible Type A units for persons with disabilities and will fully cooperate with an affirmative marketing program to market these units to households in need of such accommodation.
13. The Applicant will execute an agreement with the Department of Human Services to provide eight (8) supportive housing units with rents affordable to households earning up to 60% of the AMI. These may or may not be the same as the fully accessible units.

ATTACHMENT 3

RESOLUTION OF THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA DESIGNATING THE ARLINGTON VIEW TERRACE SITE A REVITALIZATION AREA PURSUANT TO VIRGINIA CODE § 36-55.30:2

WHEREAS, pursuant to Section 36-55.30:2 of the Code of Virginia of 1950, as amended, the County Board of Arlington County desire to designate the site of Arlington View Terrace, located at 1420, 1429, 1413, 1407, 1401, and 1327 South Rolfe Street, 1736 14th Road South, and 1735 15th Street South (the “Area”) described on Exhibit A hereto, as a Revitalization Area;

WHEREAS, the proposed redevelopment of Arlington View Terrace East is within the Columbia Pike Neighborhoods Area Plan which establishes goals to stabilize and strengthen single-family and multifamily neighborhoods and support established concepts of vibrant, economically-strong mixed-use commercial centers, and to improve existing housing stock and expand housing options to achieve a housing mix that serves diverse households, preserves affordability for current and future residents, and supports the adopted Housing Goals and Targets and the Columbia Pike Initiative;

WHEREAS, the affordable housing development proposed in this Area will provide a critical source of affordable housing for current and future low and moderate income residents whose tenancy and local employment is essential to implementing the goals of the County’s Affordable Housing Master Plan and to the Area’s future economic development and sustainability;

NOW, THEREFORE BE IT HEREBY DETERMINED as follows:

The above referenced development is located in a Revitalization Area in the County of Arlington, Virginia. The revitalization area is (i)(2) The industrial, commercial or other economic development of such area will benefit the city or county but such area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; and (ii) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

Exhibit A

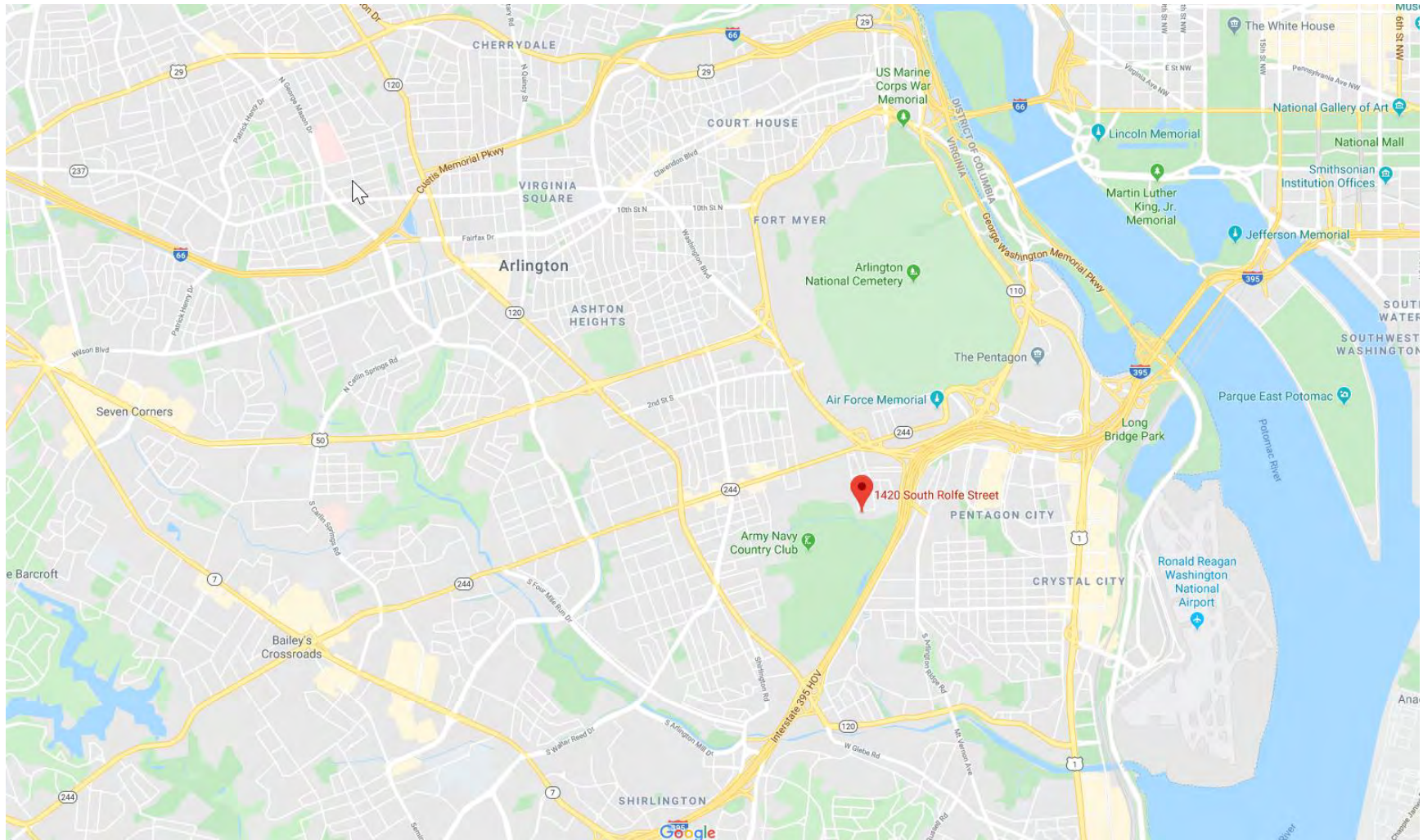
Arlington View Terrace Area



K.2

Location Map

Location Map
Arlington View Terrace East



K.3

Surveyor's Certification of
Proximity to Public
Transportation

Surveyor's Certification of Proximity to Transportation

DATE: January 16, 2020

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

RE: 2020 Tax Credit Reservation Request
Name of Development: Arlington View Terrace East
Name of Owner: AHC LP – 30 Arlington View

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.



Walter L. Phillips, Inc.
Firm Name

By: 
Travis P. Brown, P.E.

Its: Project Manger
Title

2020



L

PHA/Section 8 Notification
Letter



PHA or Section 8 Notification Letter

Development Name: Arlington View Terrace East

Tracking #: 2020-C-29

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 10, 2020

TO: Department of Human Services
2100 Washington Boulevard
Arlington, VA 22204

RE: PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: Arlington View Terrace East
Name of Owner: AHC LP - 30 Arlington View

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 April 1, 2023 (date).

The following is a brief description of the proposed development:

Development Address:
1420 South Rolfe Street
Arlington, VA 22204

Proposed Improvements:

<input checked="" type="checkbox"/> New Constr.:	<u>77</u>	# units	<u>1</u>	# Bldgs
<input type="checkbox"/> Adaptive Reuse:	<u> </u>	# units	<u> </u>	# Bldgs
<input type="checkbox"/> Rehabilitation:	<u> </u>	# units	<u> </u>	# Bldgs

Proposed Rents:

<input checked="" type="checkbox"/> Efficiencies:	\$ <u>569</u>	/ month
<input checked="" type="checkbox"/> 1 Bedroom Units:	\$ <u>593 - 1,276</u>	/ month
<input checked="" type="checkbox"/> 2 Bedroom Units:	\$ <u>703 - 1,522</u>	/ month
<input checked="" type="checkbox"/> 3 Bedroom Units:	\$ <u>803 - 1,750</u>	/ month
<input type="checkbox"/> 4 Bedroom Units:	\$ <u> </u>	/ month

Other Descriptive Information:

Arlington View Terrace East will replace an existing 30-unit building with a new, affordable 77-unit building. The building will be 4 stories tall and has underground parking. It will include a mix of efficiencies, 1, 2, and 3 bedroom units restricted at 30%, 50% and 60% of AMI. The building will have a community room, courtyard, and onsite management. It is in close proximity to public transit and within two miles of the new Amazon headquarters.

PHA or Section 8 Notification Letter

We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at
(703) ~~484~~ 0626.

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

Sincerely yours,

Haley Norris

Name

Development Manager, AHC Inc.

Title

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

Seen and Acknowledged By: Vanessa A. Street

Printed Name: Vanessa A. Street

Title: Housing Choice Voucher Program Executive Director

Phone: 703-228-1455

Date: 02/11/2020

M

Locality CEO Response
Letter



OFFICE OF THE COUNTY MANAGER

2100 Clarendon Boulevard, Suite 302, Arlington, VA 22201
TEL 703-228-3120 FAX 703-228-3218 TTY 703-228-4611 www.arlingtonva.us

Locality CEO Letter

February 28, 2020

Mr. JD Bondurant
Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220

VHDA Tracking Number: 2020-C-29
Development Name: Arlington View Terrace East
Name of Owner/Applicant: AHC LP-30 Arlington View

Dear Mr. Bondurant:

The construction or rehabilitation of Arlington View Terrace East and the allocation of federal housing tax credits available under Internal Revenue Code (IRC) Section 42 for that development will help meet the housing needs and priorities of Arlington County. Accordingly, Arlington County supports the allocation of federal housing tax credits requested by AHC LP-30 Arlington View for that development.

Yours truly,

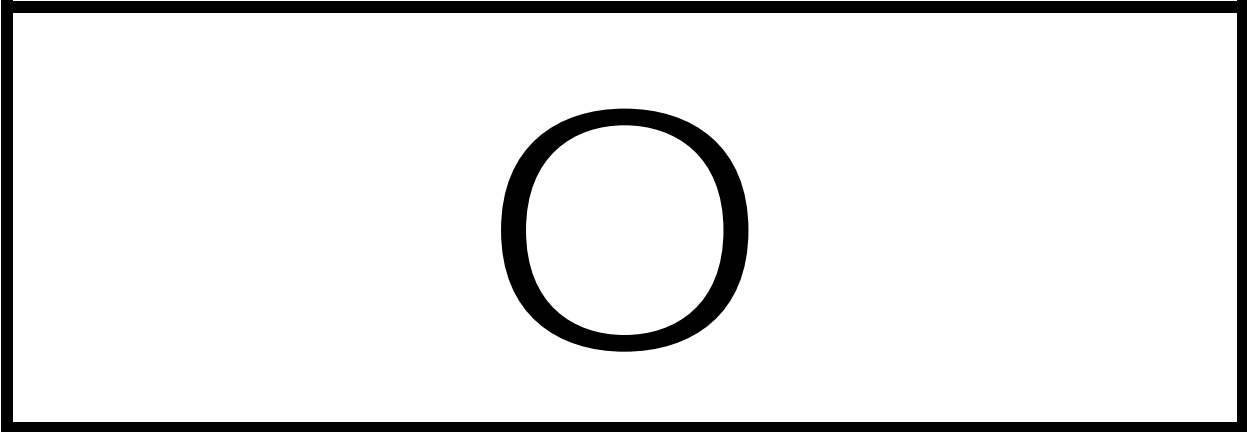
A handwritten signature in black ink that reads 'Mark Schwartz'.

Mark Schwartz
County Manager

N

Homeownership Plan

This deal does not require
information behind this tab.



O

Plan of Development
Certification Letter

This deal does not require
information behind this tab.

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

VHDA Experienced LIHTC Developers

Notes:

Updated:

12/23/2019

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 Fore, Richard L.	55 Mirmelstein, George
2 Asarch, Chad	29 Franklin, Wendell C.	56 Nelson, IV, John M.
3 Arista, Roberto	30 Friedman, Mitchell M.	57 Orth, Kevin
4 Barnhart, Richard K.	31 Gardner, Mark E.	58 Page, David
5 Baron, Richard	32 Gunderman, Timothy L.	59 Parent, Brian
6 Bennett, Vincent R.	33 Haskins, Robert G.	60 Park, Richard A.
7 Burns, Laura P.	34 Heatwole, F. Andrew	61 Park, William N.
8 Chapman, Tim	35 Honeycutt, Thomas W.	62 Pasquesi, R.J.
9 Cohen, Howard Earl	36 Hunt, Michael C.	63 Pedigo, Gerald K.
10 Connelly, T. Kevin	37 Iglesias, Adrian	64 Poulin, Brian M.
11 Connors, Cathy	38 Jester, M. David	65 Queener, Brad
12 Copeland, M. Scott	39 Johnston, Thomas M.	66 Ripley, F. Scott
13 Copeland, Robert O.	40 Jones Kirkland, Janice	67 Ripley, Ronald C.
14 Copeland, Todd A.	41 Kirkland, Milton L.	68 Ross, Stephen M.
15 Cordingley, Bruce A.	42 Kittle, Jeffery L.	69 Salazar, Tony
16 Counselman, Richard	43 Koogler, David M.	70 Sari, Lisa A.
17 Crosland, Jr., John	44 Koogler, David Mark	71 Sinito, Frank T.
18 Curtis, Lawrence H.	45 Lancaster, Dale	72 Stockmaster, Adam J.
19 Daigle, Marc	46 Lawson, Phillip O.	73 Stoffregen, Phillip J.
20 Dambly, Mark H.	47 Lawson, Steve	74 Surber, Jen
21 Deutch, David O.	48 Leon, Miles B.	75 Valey, Ernst
22 Dischinger, Chris	49 Lewis, David R.	76 Uram, David
23 Douglas, David D.	50 Margolis, Robert B.	77 Woda, Jeffrey J.
24 Edmondson, Jim	51 McCormack, Kevin	78 Wohl, Michael D.
25 Ellis, Gary D.	52 McNamara, Michael L.	79 Wolfson, III, Louis
26 Fekas, William L.	53 Melton, Melvin B.	
27 Fitch, Hollis M.	54 Midura, Ronald J.	

NON-PROFITS, LHAs & (PUBLICLY TRADED) CORPORATIONS

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

Q

Documentation of Rental
Assistance



DEPARTMENT OF HUMAN SERVICES
Economic Independence Division: Housing Assistance Bureau

2100 Washington Blvd., 3rd Floor, Arlington, VA 22204
TEL 703-228-1350 FAX 703-228-1169 TTY 703-228-1398 www.arlingtonva.us

January 15, 2020

Walter D. Webdale
AHC Inc.
2230 N. Fairfax Drive, Suite 100
Arlington, VA 22201

Re: Project-Based Rental Assistance for AHC LP – 30 Arlington View

Dear Mr. Webdale:

The Arlington County Department of Human Services (DHS) is committed to providing AHC LP – 30 Arlington View with project-based rental assistance for eight (8) apartment units (PBA Units). DHS will offer project-based rental assistance to these units through the County's equivalent Permanent Supportive Housing Project-Based Rental Assistance funding. The development, 'Arlington View Terrace East', meets the prerequisites for such assistance from the County and was reviewed in accordance with all necessary County processes and approved for the receipt of rental assistance.

This rental assistance will be for DHS Qualified Households who earn 60% or less of the Area Median Income (AMI) and need supportive housing. Qualified Households include persons who have a mental, cognitive, or physical disability, are working with a DHS Case Manager, and have a critical housing need.

The Qualified Households will pay 30% of their adjusted income in rent and the County will provide monthly rental assistance payments up to the approved 60% AMI maximum rent levels. The PSH unit mix will be six one-bedrooms, one two-bedroom, and one three-bedroom.

As participants in the County's Permanent Supportive Housing Program, these Households, in addition to having case management services, will be offered support services such as mental health treatment, counseling, job skills- and life skills-training and the County will monitor their tenancy.

The standard contract term is five years and is renewable with five-year increments, dependent upon funding availability, up to the 15-year tax credit compliance period. We would be available to discuss specific contract terms with you at any time and look forward to working on the contract agreement prior to completion of the construction planned at Arlington View Terrace East.

Further, DHS is committed to providing a first preference in its tenant referrals to the Owner and its waiting list with respect to the PBA Units for the target population, as confirmed by the Virginia Department of Medical Assistance Services or the Virginia Department of Behavioral Health and Development Services.

Sincerely,

A handwritten signature in blue ink that reads "Nicole Harmon".

Nicole Harmon
Housing Assistance Bureau Chief
Arlington County Department of Human Services



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Multifamily Northeast Region
Baltimore Satellite Office
Washington DC Field Office
820 First Street, NE
Washington DC 20002

January 31, 2020

AHC Inc.
2230 N. Fairfax Drive, Suite 100
Arlington, VA 22201
Attention: Haley Norris, Development Manager

SUBJECT: **Arlington View Terrace**
Arlington, Virginia
HAP Contract No: VA390009002

Dear Ms. Norris:

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 Arlington View Terrace located in Arlington, Virginia. Arlington View is currently owned by AHC Limited Partnership - 3 (the “**Arlington View Owner**”), of which a wholly owned subsidiary of AHC Inc. (“**Developer**”) is the general partner.

Background

Arlington View is located on South Rolfe Street in the Arlington View neighborhood at the eastern edge of Columbia Pike. Embedded in a largely single-family neighborhood and overlooking a golf course, the community is convenient to transit and amenities. A bus line connecting to Pentagon City stops two blocks from Arlington View. The property is located under a mile from a grocery store, pharmacy, and multiple restaurants. Arlington View is just a two-mile drive or bus ride from Amazon’s new Crystal City headquarters, offering access to a range of job opportunities. The Developer has owned Arlington View since 1982 and completed a tax credit renovation in 2001. The neighborhood is already experiencing increased housing costs resulting from Amazon’s move into nearby Crystal City. The Columbia Pike Neighborhood Form Based Code process offers the opportunity to achieve additional density on the site, making it ideal for redevelopment.

Redevelopment Plan

Based on the memorandum we received from your counsel, we understand that you are planning to redevelop a portion of the site (the “**Redevelopment**”) by demolishing an existing 30-unit building (the “**Existing Building**”) and replacing it with a newly constructed 77-unit building (the “**New Building**”). This will significantly increase the number of affordable units on site,

The Multifamily Northeast Region consists of the New York Regional Center and the Baltimore and Boston Satellite Offices. Together, they serve Connecticut, the District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia.

while diversifying the income mix and preserving the number of units covered by the HAP Contract.

We understand that the New Building will be owned by AHC LP – 30 Arlington View, a new special purpose entity controlled by the Developer (the “**New Owner**”) and will be financed with 9% low income housing tax credits, an Arlington County loan, and other sources. The low-income housing tax credit application will be submitted in March 2020 and construction financing is expected to close in April 2021 (the “**Closing**”). Completion of the New Building is anticipated in spring of 2023.

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:

- Prior to demolition of the Existing Building (anticipated in Fall of 2020):
 - Bifurcation of the HAP Contract into two separate contracts.
 - Approval of the relocation of tenants from the Existing Building to nearby properties (the “**Relocation Sites**”) at the Developer’s sole expense. Relocation must be carried out in full compliance with the Uniform Relocation Act and all residents must be offered the right to return to the New Building following construction completion.
 - Approval of “pass through” arrangements between the New Owner and the Relocation Site owner to allow residents to receive assistance under the applicable bifurcated HAP contract while the New Building is under construction.
- At Closing (anticipated in Spring of 2021):
 - Approval of the assignment of the New HAP contract to the New Owner.
 - Approval of the early termination and renewal of the New HAP contract at “as improved” rents under Option 1B and Chapter 15 of the Section 8 Renewal Guide.

The Developer must request HUD’s approval for these actions as the redevelopment progresses and HUD’s approval will be conditioned on processing of the pass-through, 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 feasibility of these actions, which will in turn determine whether the redevelopment plan is feasible.

Confirmation of HUD Support and Requirements

HUD strongly supports the proposed Redevelopment, as described to us by your counsel and in our phone conversations with you. Because the approvals described above are critical to the feasibility of the Redevelopment, HUD can confirm the following at this time:

1. In order to facilitate the Redevelopment HUD will approve the bifurcation of the HAP to create the New HAP upon receiving a formal request from the Developer.
2. Provided that the Developer submits a relocation plan that is fully compliant with the URA and a timely request for pass-through approval in accordance with Handbook 4350.1, Chapter 38, Paragraph 38-32, HUD will approve a “pass-through” arrangement prior to Closing between the New Owner and the owner of the Relocation Site to allow continued Section 8 assistance under the New HAP during the construction period.
3. Provided that the Developer submits 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 will approve assignment of the New HAP to the New Owner at the time of Closing.
4. Provided that the Developer submits a timely request on behalf of the New 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 New Owner, with “post-construction” market rents to be effective upon completion of the New Building. The funding of HAP contracts is subject to Congressional appropriations.

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 Cabrinna Green at cabrinna.l.green@hud.gov or at 202-275-6285.

Sincerely,



Robert J. Ford
Chief, Asset Management Branch
Washington DC Field Office
Baltimore Satellite – Northeast Region

**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 10 day of March, 2020, by the United States of America, acting through the U.S. Department of Housing and Urban Development (herein called "the Contract Administrator"), AHC Limited Partnership-3, a Virginia limited partnership (herein called "the Seller"), and AHC LP – 30 Arlington View, a Virginia limited partnership (herein called "the Buyer").

WHEREAS, the Contract Administrator and Arlington View Terrace Associates, a Virginia limited partnership ("Prior Owner"), 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 VA390009002 for units in Arlington View Terrace (herein called "the Property"), a copy of which is attached hereto as "Exhibit A". Said HAP Contract executed by the Prior Owner and approved by HUD, dated December 17, 1982, and assigned to Seller by that certain Assignment of Housing Assistance Payment Contract and approved by HUD, dated September 1, 2001.

WHEREAS, the Seller and Buyer, entered into an option to purchase the Property (which such option involved an intervening option between Seller and AHC Service Corporation, a Virginia corporation), wherein the Seller and Buyer agree to enter into a purchase agreement for Buyer to acquire the Property from Seller, and Buyer has agreed to accept the assignment of and assume all obligations under the HAP Contract;

WHEREAS, the Buyer will 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; 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 undersigned, including Seller, the Buyer and the Contract Administrator have caused this Agreement to be executed.

SELLER:

AHC LIMITED PARTNERSHIP-3
a Virginia limited partnership

BY: Arlington View Terrace Housing Corporation,
a Virginia corporation,
its general partner

By:



Walter D. Webdale, President

[Signatures Continue on Following Pages]

AHC SERVICE CORPORATION,
a Virginia corporation




By: _____
Name: Walter D. Webdale
Title: President

[Signatures Continue on Following Pages]

BUYER:

AHC LP – 30 ARLINGTON VIEW,
a Virginia limited partnership

BY: AVT Housing Corporation,
a Virginia corporation,
its General Partner

By: 
Name: Walter D. Webdale
Title: President

[Signatures Continue on Following Page]

CONTRACT ADMINISTRATOR (HUD or PHA):

U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

By: _____

Name: _____

Title: _____

Exhibit A

HAP Contract

[Exhibit appears on the next page.]

**U.S. Department of Housing and Urban Development
Office of Housing**

Project-based Section 8

**HOUSING ASSISTANCE PAYMENTS
BASIC RENEWAL CONTRACT
MULTI-YEAR TERM**

Arlington View Terrace (VA390009002)

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 Basic Renewal Contract. The instructions are not part of the Renewal Contract

TABLE OF SECTIONS

1 CONTRACT INFORMATION	1
PROJECT	1
TYPE OF RENEWAL	1
2 TERM AND FUNDING OF RENEWAL CONTRACT	2
3 DEFINITIONS	3
4 RENEWAL CONTRACT	4
a Parties	4
b Statutory authority	4
c Expiring Contract	5
d Purpose of Renewal Contract	5
e Contract units	5
5 EXPIRING CONTRACT – PROVISIONS RENEWED	5
6 CONTRACT RENT	6
a Initial contract rents	6
b Contract rent adjustments	6
(1) OCAF or Budget-Based Rent Adjustments	6
(2) Comparability adjustments	7
(a) Applicability	7
(b) Fifth year adjustment (comparability adjustment at expiration of each 5-year period, <i>if applicable</i>)	7

(c) Mid-term adjustment (discretionary comparability adjustment within 5-year term)	8
(d) Adjusting contract rent	8
(3) Procedure for rent adjustments during renewal term	8
(4) No other adjustments	9
7 OWNER WARRANTIES	9
8 OWNER TERMINATION NOTICE	9
9 HUD REQUIREMENTS	9
10 STATUTORY CHANGES DURING TERM	10
11 PHA DEFAULT	10
12 EXCLUSION OF THIRD-PARTY RIGHTS	10
13 WRITTEN NOTICES	11
SIGNATURES	12

U.S. Department of Housing and Urban Development
Office of Housing

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT¹

MULTI-YEAR TERM

1 CONTRACT INFORMATION²

PROJECT

Section 8 Project Number: VA390009002

Section 8 Project Number of Expiring Contract: Same

FHA Project Number (if applicable): N/A

Project Name: Arlington View Terrace

Project Description:

The property consists of 77 Section 8 units (1 BR with 10 units and 2 BR with 67 units). The property is located at 1429 S Rolfe Street, Arlington, VA 22204-4764 and is in Arlington County.

TYPE OF RENEWAL

- Check this box for a project renewed under Section 524(a) of MAHRA (not including a Mark-Up-To-Market renewal).
- Check this box for a project renewed at exception rents under Section 524(b)(1) of MAHRA.

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴

Navigate Affordable Housing Partners

Address of Contract Administrator

1827 1st Avenue North, Ste 100
Birmingham, AL 35203

Name of Owner⁵

AHC Limited Partnership 3

Address of Owner

1501 Lee Highway, Suite 303
Arlington, VA 22209

2 TERM AND FUNDING OF RENEWAL CONTRACT

a The Renewal Contract begins on 11/1/2017⁶ and shall run for a period of 20 (Twenty)⁷ years.

b Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of \$ \$597,816⁸, an amount sufficient to

provide housing assistance payments for approximately 12⁹ 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 DEFINITIONS

ACC. Annual contributions contract.

Anniversary. The annual recurrence of the date of the first day of the term of the Renewal Contract.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

Contract units. The units in the Project which are identified in Exhibit A by size and applicable contract rents.

Fifth year anniversary. The Renewal Contract annual anniversary that falls at expiration of each 5-year period of the Renewal Contract term.

Fifth year comparability adjustment. An adjustment of contract rents by the contract administrator at the Fifth Year Anniversary. The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

MAHRA. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

Mid-term comparability adjustment. An adjustment of contract rents by the contract administrator within each 5-year period of the Renewal Contract term (in addition to the comparability analysis and adjustment at the Fifth Year Anniversary). The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

OCAF. An operating cost adjustment factor established by HUD.

PHA. Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.).

Project. The housing described in section 1 of the Renewal Contract.

Renewal Contract. This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

4 RENEWAL CONTRACT

a Parties

- (1) The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).
- (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 9 (HUD requirements), section 10 (statutory changes during term) 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 (42 U.S.C. 1437f), and section 524 of MAHRA.

c Expiring Contract

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will expire prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

- (1) 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 shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract.
- (2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, and has abated housing assistance payments to the Owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

e Contract units

The Renewal Contract applies to the Contract units.

5 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 All provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:

-
- (1) Identification of contract units by size and applicable contract rents;
 - (2) The amount of the monthly contract rents;
 - (3) Contract rent adjustments; and
 - (4) 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.

6 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 6b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A of the Renewal Contract.

b Contract rent adjustments

(1) OCAF or Budget-Based Rent Adjustments

- (a) Except as provided in section 6b(2) below (concerning comparability adjustments at each Fifth Year Anniversary and discretionary comparability adjustments within each five-year term), 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 by either of the following methods (as determined by the Contract Administrator in accordance with HUD requirements):

- (i) Using an OCAF; or

-
- (ii) At the request of the owner, based on the budget for the Project, as approved by the Contract Administrator in accordance with HUD requirements.
 - (b) 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 adjustment of rent at each Fifth Year Anniversary (as determined in accordance with section 6b(2)(b) below).

(2) Comparability adjustments

- (a) **Applicability.** This section 6b(2) is applicable only if the contract has been renewed pursuant to Section 524(a) of MAHRA. This section 6b(2) does not apply to a project renewed at exception rents under Section 524(b)(1) of MAHRA (See section 1 of the Renewal Contract).
- (b) **Fifth year adjustment (comparability adjustment at expiration of each 5-year period, *if applicable*).**
 - (i) This section 6b(2)(b) 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).
 - (ii) At the expiration of each 5-year period of the Renewal Contract term ("Fifth Year Anniversary"), the Contract Administrator shall conduct a comparability analysis of existing contract rents. At such Fifth Year 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 rent for each unit size at comparable market rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.
 - (iii) To assist in the redetermination of contract rents at each Fifth Year Anniversary, 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.

(c) Mid-term adjustment (discretionary comparability adjustment within 5-year term)

In addition to the comparability analysis and adjustment of contract rents at the Fifth Year Anniversary, HUD may, at HUD's discretion, require or permit the Contract Administrator to conduct a comparability analysis and adjustment of contract rents ("mid-term adjustment"), one more time within each 5-year period of the Renewal Contract term

(d) Adjusting contract rent

At the time of a fifth year or mid-term comparability adjustment, 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 rent for each unit size at comparable rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(3) Procedure for rent adjustments during renewal term

(a) To adjust contract rents during the term of the Renewal Contract (including an OCAF or budget-based adjustment in accordance with section 6b(1), or a fifth year or midterm adjustment in accordance with section 6b(2)), the Contract Administrator shall give the Owner notice with a revised Exhibit A that specifies the adjusted contract rent amounts.

(b) The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the Contract Administrator in accordance with this section. The adjustment notice by the Contract Administrator to the Owner shall

specify when the adjustment of contract rent is effective.

- (c) Notice of rent adjustment by the Contract Administrator to the Owner shall automatically constitute an amendment of the Renewal Contract.

(4) No other adjustments

Except for contract rent adjustments in accordance with this section, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

7 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 and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8 OWNER TERMINATION 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 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.

9 HUD REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of section 6 (contract rent), shall not be applicable.

10 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 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 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

11 PHA DEFAULT

- a This section 11 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 shall take any action HUD determines necessary for the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

12 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.

13 WRITTEN NOTICES

- a** Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.
- b** A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives a notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

SIGNATURES

Contract administrator (HUD or PHA)

Name of Contract Administrator

Navigate Affordable Housing Partners

By: _____

Signature of authorized representative

Eric Strong, CEO

Name and official title

Date _____

U.S. Department of Housing and Urban Development

By: _____

Signature of authorized representative

Authorized Agent - , U.S. Department of HUD

Name and official title

Date _____

Owner

Name of Owner

AHC Limited Partnership 3

By:  _____

Signature of authorized representative

Walter D. Webdale - President

Name and title

Date 1-24-18

(HUD-9637)

Basic Renewal Contract
Multi-Year Term
REV-11-05-2007

EXHIBIT B
DISTRIBUTIONS LIMITATION

FOR PROJECT NOT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is not subject to any limitation on distributions 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 limitation on distributions of project funds during the term of the Renewal Contract.

FOR PROJECT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is subject to any limitation on distributions of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitation on distributions 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.

Attachment 1

PRESERVATION EXHIBIT

Subject to all applicable laws and regulations in effect upon expiration, the Renewal Contract shall automatically renew for a term of 18 Years¹ beginning on 11/01/2037². Owner and the Contract Administrator, as identified in section 1 of the Renewal Contract, and on all their successors and assigns.

**ASSIGNMENT OF
HOUSING ASSISTANCE PAYMENTS CONTRACT**

(Arlington View Terrace)

SECTION 8 PROJECT NUMBER: VA39-0009-002

This ASSIGNMENT OF HOUSING ASSISTANCE PAYMENTS CONTRACT (this "Assignment") is entered into effective as of September 15th, 2001, between **ARLINGTON VIEW TERRACE ASSOCIATES**, a Virginia limited partnership (the "Assignor"), and **AHC LIMITED PARTNERSHIP-3**, a Virginia limited partnership (the "Assignee"), and is approved by the U.S. Department of Housing and Urban Development ("HUD").

RECITALS:

- A. Effective September 30, 1982, the Assignor and the U.S. Department of Housing and Urban Development entered into the Housing Assistance Payments Contract designed by the above-captioned Section 8 Project Number (the "HAP Contract") in connection with Arlington View Terrace in Arlington, Virginia (the "Project").
- B. The Assignor has conveyed or intends to convey the Project to the Assignee.
- C. Incident to its purchase of the Project, the Assignee wishes to assume the benefits and the burdens of the Contract, and the Assignor wishes to relinquish the benefits of the Contract and be relieved of the burdens of the Contract.

AGREEMENT:

THEREFORE, HUD, the Assignor, and the Assignee agree as follows:

- 1. The Assignee accepts all the benefits and burdens of the Contract, effective upon the closing of the sale of the Project to the Assignee;
- 2. The Assignor assigns to the Assignee all the benefits of the Contract; and
- 3. HUD consents to the foregoing

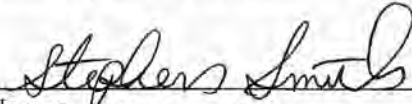
all to be effective as of the date of the closing of the sale of the project from the Assignor to the Assignee.

IN WITNESS WHEREOF, the undersigned have caused this agreement to be executed in their respective names.

ASSIGNOR

ARLINGTON VIEW TERRACE ASSOCIATES,
a Virginia limited partnership

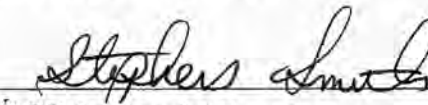
By: Arlington View Terrace Housing Corporation,
a Virginia corporation, its General Partner

By: 
Name: Stephen Smith
Title: President
Asst Treasurer

ASSIGNEE

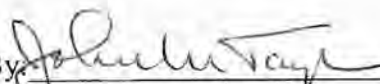
AHC LIMITED PARTNERSHIP-3,
a Virginia limited partnership

By: Arlington View Terrace Housing Corporation,
a Virginia corporation, its General Partner

By: 
Name: Stephen Smith
Title: President
Secretary

APPROVED:

SECRETARY OF HOUSING AND
URBAN DEVELOPMENT

By: 
Name: /s/ John M. Taylor
Title: Supervisor M/F

SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM

PART 1 OF THE
HOUSING ASSISTANCE PAYMENTS CONTRACT

Type of Project: Private-Owner/HUD XX or PRA-Owner/HUD _____
 Small Project _____ or Partially-Assisted Project _____ or Other XX
 New Construction, Part 850 _____ or Substantial Rehabilitation, Part 851 XX
 Part 855 _____ Part 853 _____

Type of Financing:

Section 221(d)(4) - GNMA Tandem

[For example: subject to Part 811, HUD-insured; GNMA tandem;
State agency tax exempt loan, not HUD-insured.]

ACC/HAP CONTRACT LIST NUMBER AND DATE: P-82-331

SECTION 8 PROJECT NUMBER: VA39-0009-002

FHA PROJECT NUMBER (if applicable): 000-35262-PM/SR/L8

This Housing Assistance Payments Contract (Contract) is entered into between the United States of America acting through the Department of Housing and Urban Development (HUD) and Arlington View Terrace Associates

(Owner), pursuant to the U.S. Housing Act of 1937 (Act), 42 U.S.C. 1437, et seq., and the Department of Housing and Urban Development Act, 42 U.S.C. 3531, et seq. The purpose of this Contract is to provide housing assistance payments on behalf of Eligible Families leasing decent, safe and sanitary units from the Owner.

1.1 SIGNIFICANT DATES AND OTHER ITEMS; CONTENTS AND SCOPE OF CONTRACT.(a) Effective Date of Contract: DECEMBER 17, 1982

(b) Fiscal Year. The ending date of each Fiscal Year shall be December 31. [Insert March 31, June 30, September 30, or December 31, as approved by HUD.] The Fiscal Year for the project shall be the 12-month period ending on this date. However, the first Fiscal Year for the project is the period beginning with the effective date of the Contract and ending on the last day of the Fiscal Year which is not less than 12 months after the effective date. If the first Fiscal Year exceeds 12 months, the maximum total annual housing assistance payment in section 1.1(c) will be adjusted by the addition of the pro rata amount applicable to the period of operation in excess of 12 months.

(c) Maximum Annual Contract Commitment. The maximum annual amount of the commitment for housing assistance payments under this Contract (see section 2.3) is the amount of contract authority identified in Exhibit 3.

(d) Project Description.

This is a 3-story walkup project consisting of nine buildings, containing 77 units, of which all are to be Section 8 assisted. The project is located at South Rolfe Street, South 15th and South 14th Road in Arlington, Virginia.

(e) Statement of Services, Maintenance and Utilities Provided by the Owner.

(1) Services and Maintenance:

water

(2) Equipment:

range, refrigerator, air conditioning equipment, kitchen exhaust fan, coin operated laundry facilities, disposal

(3) Utilities:

None

(4) Other:

None

(f) Contents of Contract. This Contract consists of Part I, Part II (except as indicated in section 1.4), and the following exhibits:

Exhibit 1: The schedule showing the number of units by size (Contract Units) and their applicable rents (Contract Rents).

Exhibit 2: Daily Debt Service. (If the project is not permanently financed when the Contract is executed, this exhibit should be added when the necessary information becomes available.)

Exhibit 3: The schedule showing contract and budget authority.

Exhibit 4: The Affirmative Fair Housing Marketing Plan, if applicable.

Exhibit 5: An agreement between the parties to incorporate the Final Proposal by reference, specifying the location of the Final Proposal, and identifying each part, including any amendments.

Additional exhibits: [Specify additional exhibits, if any, such as Special Conditions for Acceptance. If none, insert "None."]

NONE

(c) 2.13. Training, Employment and Contracting Opportunities. Applicability: All projects for which the total initial Contract Rents over the term of the Contract exceed \$500,000.

X _____

(d) 2.1- Flood Insurance. Applicability: All projects in special flood hazard areas.

_____ X _____

(e) 2.15. Clean Air and Federal Water Pollution Control Acts. Applicability: All projects for which the total initial Contract Rents over the term of the Contract exceed \$100,000.

X _____

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.

OWNER _____
By _____
* _____
(Official Title)
Date _____, 19 _____

United States of America
Secretary of Housing and
Urban Development

(Official Title)
Date _____, 19 _____

* Type name of signatory under signature line.

[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.]

SCHEDULE OF CONTRACT UNITS AND CONTRACT RENTS¹

Number of Bedrooms	Number of Units ²	Household Type (elderly, non- elderly family, large nonelderly family)	Contract Rent:
1	10	Family	\$368.00
2	67	Family	\$410.00

¹This Exhibit must be completed and attached to the Contract at the time the Agreement is executed. It may, however, be amended in accordance with program rules before the Contract is executed. When Contract Rents are amended (e.g. at the time of an annual adjustment) this format should be used.

EXHIBIT 2
DAILY DEBT SERVICE

<u>Number of Bedrooms</u>	<u>Number of Units</u>	<u>Daily Debt Service</u>
0	_____	\$ _____
1	_____	\$ _____
2	_____	\$ _____
3	_____	\$ _____
4	_____	\$ _____
5	_____	\$ _____

To be determined at final endorsement

This information is used for computing assistance payments for vacant units under section 2.4(e).

This Exhibit shows the initial and subsequent amounts of contract and budget authority obligated for project number: _____ (The Housing Division shall furnish the Legal Division with the information necessary to complete this Exhibit, with appropriate supporting documentation including an ACC' HAF Contract List.)

	<u>Contract Authority</u>	<u>Budget Authority</u>
As of the Effective Date of Agreement	\$458,580.00	\$9,171,600
Effective Date of Agreement Amendment: _____		
Show Increase or Decrease		
Revised Total		
Effective Date of Agreement Amendment: _____		
Show Increase or Decrease		
Revised Total		

	<u>Contract Authority</u>	<u>Budget Authority</u>
As of the Effective Date of Contract		
Effective Date of Contract Amendment: _____		
Show Increase or Decrease		
Revised Total		
Effective Date of Contract Amendment: _____		
Show Increase or Decrease		
Revised Total		

PART II OF THE

HOUSING ASSISTANCE PAYMENTS CONTRACT

By and between: U.S. Department of Housing & Urban Development (CA) and
Arlington View Terrace Associates (Owner).

Check Type of Project: Private-Owner/HUD XX or PHA-Owner/HUD _____
(HUD is the Contract Administrator or "CA.")
or Private-Owner/PHA _____
(The PHA is the CA)

NEW CONSTRUCTION: or SUBSTANTIAL REHABILITATION: or PREVIOUSLY HUD-OWNED
Part 880 _____ Part 861 XX _____ Part 886, Subpart C _____
Part 885 _____ Part 855 _____

SECTION 8 PROJECT NUMBER: VA39-0009-002

FHA PROJECT NUMBER (if applicable): 000-35262-PM/SR/L8

2.1 OWNER'S WARRANTIES; AMENDMENTS.

- (a) Legal Capacity. The Owner warrants that it 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 section 1.1 is in good and tenantable condition and that the project has been completed in accordance with the terms and conditions of the Agreement to Enter into Housing Assistance Payments Contract (Agreement) or will be completed in accordance with the Special Conditions for Acceptance (see attached exhibit, where applicable). The Owner further warrants that it will remedy any defects or omissions covered by this warranty if called to its attention within 12 months of the effective date of this Contract. The Owner and the CA agree that the continuation of this Contract shall be subject to the Owner meeting any Special Conditions for Acceptance.

2.2 FAMILIES TO BE HOUSED; CONTRACT ADMINISTRATOR (CA) ASSISTANCE.

- (a) Families To Be Housed. The Contract Units are to be leased by the Owner to eligible Lower-Income Families (Families) for occupancy by such Families solely as private dwellings and as their principal place of residence. (See also section 2.10.)
- (b) CA Assistance.
- (1) The CA hereby agrees to make housing assistance payments on behalf of Families for the Contract Units, to enable the Families to lease Decent, Safe, and Sanitary housing pursuant to section 8 of the Act.
- (2) If there is a Utility Allowance and if the Allowance exceeds the total Family contribution, the Owner shall pay the Family the amount of the excess. The CA will pay funds to the Owner in trust solely for the purpose of making this payment. Any pledge by the Owner of payments properly payable under this Contract shall not be construed to include payments covered by this paragraph (b)(2). (See 24 CFR section 860.501(e), 881.501(e), or 886.309(a).)

2.3 MAXIMUM HOUSING ASSISTANCE COMMITMENT; PROJECT ACCOUNT.

- (a) Maximum Annual Contract Commitment. Notwithstanding any other provisions of this Contract (other than paragraph (b)(2) of this section) or any provisions of any other contract between the CA and the Owner, the CA shall not be obligated to make and shall not make any housing

assistance payments (or pay any fees where a PHA is a party to this Contract for the purpose of authorizing terminations in the case of previously HUD-owned projects) under this Contract in excess of the amount identified in section 1.1(c). However, this amount may be reduced commensurately with any reduction in the number of Contract Units or in the Contract Rents or pursuant to any other provisions of this Contract.

(b) Project Account.

- (1) A project account will be established and maintained by HUD, consistent with its responsibilities under section 8(c)(6) of the Act, as a specifically identified and segregated account for the project. The account will be established and maintained, in an amount determined by HUD, out of the amounts by which the Maximum Annual Contract Commitment under section 1.1(c) (for Private-Owner/ HUD or PHA-Owner/HUD Projects) or Maximum ACC Commitment (for Private-Owner/PHA Projects) exceeds the amount actually paid out under the Contract or ACC each fiscal year. Payments will be made from the account for housing assistance payments (and fees for PHA administration) when needed to cover increases in Contract Rents or decreases in tenant rents and for other costs specifically approved by the Secretary.
- (2) If funds are available in the project account, the maximum annual contribution payable for any fiscal year will be increased by the amount, if any, as may be required for housing assistance payments (and fees where the CA is a PHA) to cover increases in Contract Rents or decreases in rents payable by Families and other costs approved by HUD.
- (3) Whenever a HUD-approved estimate of the required annual contribution for a fiscal year exceeds the maximum annual commitment and would cause the amount in the project account to be less than 40 percent of the maximum annual commitment, HUD will, within a reasonable period of time, take such additional steps authorized by section 8(c)(6) of the U.S. Housing Act of 1937 as may be necessary to assure that payments under the Contract and ACC (if applicable) will be adequate to cover increases in Contract Rents and decreases in rents payable by Families, 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."
- (4) Any amount remaining in the account after payment of the last Annual Contribution with respect to the project shall be applied by HUD in accordance with law.

2.4 HOUSING ASSISTANCE PAYMENTS TO OWNERS.

(a) Housing Assistance Payments on Behalf of Families.

- (1) Housing assistance payments shall be paid to the Owner for units under lease for occupancy by Families in accordance with the Contract. The housing assistance payment will cover the difference between the Contract Rent and that portion of the rent payable by the Family as determined in accordance with the HUD-established schedules and criteria.
- (2) The amount of housing assistance payment payable on behalf of a Family and the amount of rent payable by the Family shall be subject to change by reason of changes in Family Income, Family composition, extent of exceptional medical or other unusual expenses or program rules in accordance with the HUD-established schedules and criteria; or by reason of a change in any applicable Utility Allowance approved or required by the CA. Any such change shall be effective as of the date stated in a notification of the change to the Family, which need not be at the end of the Lease term.

- (b) Vacancies During Rent-up. If a Contract Unit is not leased as of the effective date of the Contract (or within 15 days of the effective date of this Contract in the case of previously HUD-owned projects), the Owner is 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 2.2(d) 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 its waiting list, if any, requesting the PHA and other appropriate sources to refer eligible applicants, and advertising the availability of the unit in a manner specifically designed to reach eligible families, and (3) has not rejected any eligible applicant, except for good cause acceptable to the CA.

(c) Vacancies after Rent-Up. If an eligible family vacates a unit, the owner is entitled to housing assistance payments in the amount (except as provided in paragraph (d) of this section) of 80 percent of the Contract Rent for the first 60 days of vacancy if the Owner:

- (1) Certifies that it did not cause the vacancy by violating the lease, the Contract or any applicable law or by moving a Family to another unit;
- (2) Notified the CA of the vacancy or prospective vacancy and the reasons for it immediately upon learning of the vacancy or prospective vacancy;
- (3) Has fulfilled and continues to fulfill the requirements specified in paragraphs (b)(1), (2), and (3) of this section; and
- (4) Certifies that any eviction resulting in a vacancy was carried out in compliance with section 2.9.

(d) Payments for Vacancies after Initial Occupancy in Previously HUD-Owned Projects. In the case of previously HUD-owned projects, the Owner may receive housing assistance payments for so much of the month in which the Family vacates the unit as the unit remains vacant. Should the unit remain vacant, the Owner may receive from HUD a housing assistance payment in the amount of 80 percent of the Contract Rent for a vacancy period not exceeding an additional month. However, if the Owner collects any of the Family's share of the rent for this period, the payment for the vacancy period must be reduced to an amount which, when added to the Family's payments, does not exceed 80 percent of the Contract Rent. Any such excess shall be reimbursed by the Owner to HUD or as HUD may direct. Paragraphs (c)(1) through (4) apply.

(e) Vacancies for Longer than 60 Days. Except for previously HUD-owned projects not requiring substantial rehabilitation, if an assisted unit continues to be vacant after the period specified in paragraph (b), (c) or (d) of this section, the Owner may apply to receive additional payments for the vacancy period in an amount equal to the principal and interest payments required to amortize that portion of the debt service attributable to the vacant unit (see Exhibit 2) for up to 12 additional months for the unit if:

- (1) The unit was in decent, safe and sanitary condition during the vacancy period for which payments are claimed;
- (2) The owner has fulfilled and continues to fulfill the requirements specified in paragraph (b), (c) or (d) of this section, as appropriate; and

(c) The owner has demonstrated to the satisfaction of HUD that:

- (1) For the period of vacancy, the project is not providing the owner with revenues at least equal to project expenses (exclusive of depreciation), and the amount of payments requested is not more than the portion of the deficiency attributable to the vacant unit, and

- (ii) The project can achieve financial soundness within a reasonable time.

(f) Prohibition of Double Compensation for Vacancies. The Owner is not entitled to payments for vacant units to the extent it can collect for the vacancy from other sources (such as security deposits, other amounts collected from the Family, payments from the CA under section 2.8(b), and governmental payments under other programs). If the Owner collects any of the Family's share of the rent for a vacancy period in an amount which, when added to the vacancy payment, results in more than the Contract Rent, the excess must be reimbursed as HUD directs.

(g) CA Not Obligated for Family Rent. The CA 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 2.8(b) of this Contract.

The financial obligation of the CA is limited to making housing assistance payments on behalf of Families in accordance with this Contract.

(h) Owner's Monthly Requests for Payments.

- (1) The Owner shall submit monthly requests to the CA or as directed by the CA for housing assistance payments. Each 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 each unit, if any, not leased to Families for which the Owner is claiming payments; (iii) the Contract Rent as set forth in Exhibit 1 for each unit for which the Owner is claiming payments; (iv) the amount of rent payable by the Family leasing the unit (or, where applicable, the amount to be paid the Family in accordance with section 2.2(b)(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 it that to the best of its knowledge and belief (i) the dwelling units are 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, (iv) none of the amount claimed has been previously claimed or paid under this Contract, and (v) the Owner has not received and will not receive any payments or other consideration from the Family, the PHA, HUD, or any other public or private source for the unit beyond that authorized in this Contract and the lease.
- (3) If the Owner has received an excessive payment, the CA (or HUD where the CA is a PHA), 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 are 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.
- (i) Payments to Trustee by PHA Where It Is the Lender. (See section 1.4 for applicability of this paragraph.) 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 PHA from the Owner pursuant to the mortgage loan made by the PHA for the project, shall be credited to the Owner and transferred monthly by the PHA from the account maintained under the General Depository Agreement pursuant to the ACC to the trustee under the note or bond resolution of the PHA 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 PHA directly to the Owner.

(a) Maintenance and Operation. The Owner agrees to maintain and operate the Contract Units, unassisted units, if any, and related facilities to provide Decent, Safe, and Sanitary housing including the provision of all the services, maintenance and utilities set forth in section 1.1(e). The Owner also agrees to comply with the lead-based paint regulations at 24 CFR Part 35. If the CA determines that the Owner is not meeting one or more of these obligations, the CA shall have the right to take action under section 2.21(b).

(b) Inspection.

(1) Prior to occupancy of any Contract Unit by a Family, the Owner and the Family shall inspect the unit and both shall certify, on forms prescribed or approved by the CA, that they have inspected the

unit and have determined it to be Decent, Safe, and Sanitary in accordance with the criteria provided in the forms. The Owner shall keep copies of these reports on file for at least three years.

(2) The CA shall inspect or cause to be inspected the Contract Units 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 its obligation to maintain the units in Decent, Safe, and Sanitary condition including the provision of the agreed-upon utilities and other services. The CA 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 CA notifies the Owner that it 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 CA may exercise any of its rights or remedies under the Contract, including reduction or suspension 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 CA does not have other section 8 funds for such purposes, the CA may use the abated housing assistance payments for the purpose of rehousing the Family in another dwelling unit. If the Family continues to occupy the unit, it will do so in accordance with the terms of its lease, including the termination date and amount of rent payable by the Family.

(d) Notification of Abatement. Any reduction or suspension of housing assistance payments shall be effective as provided in written notification to the Owner. The Owner shall promptly notify the Family of any such abatement.

(e) Overcrowded and Underoccupied Units. Where the CA determines a unit is larger or smaller than appropriate for an eligible family, the Owner agrees to correct the situation in accordance with HUD regulations and requirements in effect at the time of the determination.

2.6 FINANCIAL REQUIREMENTS.

(a) Submission of Financial and Operating Statements.

The Owner must submit to the CA:

(1) Within 60 days after the end of each fiscal year of the project, financial statements for the project audited by an Independent Public Accountant in the form required by HUD, and

(2) Other statements as to project operation, financial conditions and occupancy as HUD may require pertinent to administration of the Contract and monitoring of project operations.

(b) Use of Project Funds. (Not applicable to Partially Assisted or Previously HUD-Owned Projects.)

(1) Project funds must be used for the benefit of the project, to make mortgage payments, to pay operating expenses, to make required deposits to the replacement reserve in accordance with paragraph (c) of this section and to provide distributions

to the Owner as provided in paragraph (d). To the extent HUD determines that project funds are more than needed for these purposes, the surplus project funds must be deposited with the mortgagee or other HUD-approved depository in an interest-bearing residual receipts account. Withdrawals from this account will be made only with the approval of HUD and for project purposes, including the reduction of housing assistance payments. Upon termination of the Contract, any excess funds must be remitted to HUD.

- (2) In the case of HUD-insured projects, the provisions of this paragraph (b) will apply instead of the otherwise applicable mortgage insurance requirements, except in the case of partially assisted or previously HUD-owned, insured projects which are subject to the applicable mortgage insurance requirements.

(c) Replacement Reserve. (Not applicable to Partially Assisted or Previously HUD-Owned Projects.)

- (1) The Owner shall establish and maintain a replacement reserve in an interest-bearing account to aid in funding extraordinary maintenance and repair and replacement of capital items in accordance with applicable regulations.

- (i) The obligation of the Owner to deposit into the replacement reserve shall commence upon the effective date of the Contract. For staged projects, the obligation shall commence on a pro rata basis for units in each stage on the effective date of the Contract for that stage. The amount of the deposit to the replacement reserve will be adjusted each year by the amount of the automatic annual adjustment factor. See 24 CFR Part 565.

- (ii) The reserve must be built up to and maintained at a level determined by HUD to be sufficient to meet projected requirements. Should the reserve achieve that level, the rate of deposit to the reserve may be reduced with the approval of HUD.

- (iii) All earnings including interest on the reserve must be added to the reserve.

- (iv) Funds will be held by the mortgagee or trustee for the bondholders, and may be drawn from the reserve and used only in accordance with HUD guidelines and with the approval of, or as directed by, HUD.

- (2) In the case of HUD-insured projects, the provisions of this paragraph (c) will apply instead of the otherwise applicable mortgage insurance requirements, except in the case of partially-assisted or previously HUD-owned, insured projects which are subject to the applicable mortgage insurance requirements.

(d) Limitation on Distributions. (Paragraphs (d)(2)-(4) are not applicable to Small, Partially Assisted or Previously HUD-Owned Projects.)

- (1) Nonprofit owners are not entitled to distributions of project funds.

- (2) For the life of the Contract, project funds may only be distributed to profit-motivated owners at the end of each fiscal year of project operation following the effective date of the Contract after all project expenses have been paid, or funds have been set aside for payment, and all reserve requirements have been met. The first year's distribution may not be made until cost certification, where applicable, is completed. Distributions may not exceed the following maximum returns:

- (i) For projects for elderly families, the first year's distribution will be limited to 6 percent on equity. HUD may provide for increases in subsequent years' distributions in accordance with applicable HUD regulations and requirements.

- (ii) For projects for nonelderly families, the first year's distribution will be limited to 10 percent on equity. HUD may provide for increases in subsequent years' distributions in accordance with applicable HUD regulations and requirements.

- (3) For the purpose of determining the allowable distribution, an Owner's equity investment shall be computed in accordance with HUD regulations and requirements.
- (4) Any short-fall in return may be made up from surplus project funds (see paragraph (b)(1)) in future years.
- (5) In the case of HUD-insured projects, the provisions of this section will apply instead of the otherwise applicable mortgage insurance program regulations, except in the case of small, partially assisted or previously HUD-owned, insured projects which are subject to the applicable mortgage insurance regulations.

2.7 RENT ADJUSTMENTS.

- (a) Funding of Adjustments. Housing assistance payments will be made in amounts commensurate with Contract Rent adjustments under this section up to the maximum amount authorized under section 2.3(a) of this Contract.
- (b) Annual Adjustments.
 - (1) Upon request from the Owner to the CA, Contract Rents will be adjusted on the anniversary date of the Contract in accordance with 24 CFR 888 and this Contract. See, however, paragraph (d).
 - (2) In the case of previously HUD-owned projects, the Contract Rents shall be adjusted in accordance with 24 CFR 886, Subpart C and this Contract.
 - (3) Contract Rents may be adjusted upward or downward, as may be appropriate; however, in no case shall the annual adjustment result in Contract Rents less than the Contract Rents on the effective date of the Contract.
- (c) Special Additional Adjustments. Special additional adjustments shall be granted, when approved by HUD, to reflect increases in the actual and necessary expenses of owning and maintaining the Contract Units which have resulted from substantial general increases in real property taxes, utility rates, assessments, and utilities not covered by regulated rates. The Owner must demonstrate that such general increases have caused increases in the Owner's operating costs which are not adequately compensated for by annual adjustments. The Owner shall submit to HUD supporting data, financial statements and certifications which clearly support the increase. See, however, paragraph (d).
- (d) Overall Limitation. Notwithstanding any other provision of this Contract, adjustments after Contract execution or cost certification, where applicable, shall not result in material differences between the rents charged for assisted and comparable unassisted units, as determined by HUD; except to the extent that the differences existed with respect to the Contract Rents set at Contract execution or cost certification, where applicable.
- (e) Incorporation of Rent Adjustment. Any adjustment in Contract Rents shall be incorporated into Exhibit 1 by a dated addendum to the exhibit establishing the effective date of the adjustment.
- (f) Adjustment of Contract Rents based on Cost Certification.
(See section 1.4 for applicability of this paragraph.)
 - (1) Submission by Owner. Within 60 days after HUD accepts the project (or accepts the last stage, where applicable), or any extensions approved by HUD for good cause, the Owner will certify the actual costs estimated in the Final Proposal or Purchase and Use Plan of the replacement cost, operating expenses, income, and debt service, and submit a cost certification including the certificate of an Independent Public Accountant to HUD in the manner and form prescribed by HUD, based on the following guidelines:

... HUD mortgage insurance will be subject to the cost certification requirements of the applicable insurance program;

- (1) For projects not insured by HUD, a simplified form of cost certification as prescribed by HUD will be completed and submitted.
- (2) Final Review. Cost certifications will be subject to review by HUD. As part of this review, the Owner and/or contractor may be required to submit additional documentation.
- (3) Reduction of Contract Rents. If the Owner's certified costs provided in accordance with paragraph (f)(1) of this section, as approved by HUD, are less than the cost estimates provided in the Final Proposal or Purchase and Use Plan, the Contract Rents will be reduced accordingly.
- (4) Reduction of Maximum Annual Commitment. If the Contract Rents are reduced pursuant to paragraph (f)(3) of this section, the maximum annual Contract commitment (and the maximum ACC commitment, in the case of Private-Owner/PHA projects) will be reduced. If Contract Rents are reduced based on certification after Contract execution, any overpayment since the effective date of the Contract will be recovered from the Owner by the CA.
- (g) Adjustment of Contract Rents to Reflect Actual Cost of Tax Exempt Obligations Issued by a Participating State Agency Not Subject to Part 811 (See section 1.4 for applicability of this paragraph.) After the project is permanently financed, the financing agency shall submit a certification to HUD specifying the actual financing terms. If the actual debt service to the Owner under the permanent financing is lower than the anticipated debt service on which the Contract Rents were based, the initial Contract Rents or the Contract Rents then in effect shall be reduced commensurately and the amount of savings credited to the project account. The maximum annual Contract commitment (and the maximum annual ACC commitment, in the case of Private-Owner/PHA projects) will not be reduced.
- (h) Adjustment of Contract Rents to Reflect Actual Cost for Projects Subject to Part 811. (See section 1.4 for applicability of this paragraph.)
 - (1) Submission by Owner and Financing Agency. The Owner and the financing agency shall submit certified statements as to the financing and other costs as required by Part 811 prior to final endorsement. Based on the certified statements, HUD will determine whether any reduction in initial Contract Rents is required under Part 811. Promptly after HUD notification, the Owner and the financing agency agree to amend the Contract to reduce the initial Contract Rents to the extent required by HUD. See sections 2.3(b)(5) and (6) of the Agreement, as appropriate.
 - (2) Reduction of Maximum Annual Commitment. If the Contract Rents are reduced pursuant to paragraph (h)(1) of this section, the maximum annual Contract commitment (and the maximum ACC commitment, in the case of Private-Owner/PHA projects) will be reduced. If Contract Rents are reduced based on certification after Contract execution, any overpayment since the effective date of the Contract will be recovered from the Owner by the CA.
- (i) Adjustment of Contract Rents Due to Property Tax Exemption or Similar Savings. The Contract Rents may be reduced to reflect real property tax exemption or similar savings where the initial Contract Rents were approved on the assumption that the project would not receive the benefit of tax abatement or similar savings. The Owner agrees to notify the CA in the event such a project begins to receive such an exemption or similar savings so that the initial Contract Rents or the Contract Rents then in effect may be reduced.

- (a) Compliance with Equal Opportunity Requirements. Marketing of units and selection of Families by the Owner shall be in accordance with the Owner's HUD-approved Affirmative Fair Housing Marketing Plan (if required), shown as an exhibit, and with all regulations relating to fair housing advertising. Projects shall be managed and operated without regard to race, color, religion, creed, sex, handicap, or national origin and in the case of previously HUD-owned projects in accordance with the tenant selection factors shown as Exhibit 6.
- (b) Security Deposits. The Owner agrees to comply with applicable section 8 regulations and other requirements, as revised from time to time, regarding security deposits and to comply with all State and local law.
- (c) Eligibility, Selection and Admission of Families.
- (1) Except for those families in previously HUD-owned projects determined by HUD at the time of the sale of the project to be eligible for section 8, the Owner shall be responsible for determination of eligibility of applicants, selection of families from among those determined to be eligible, computation of the amount of housing assistance payments on behalf of each selected Family and of total Family contributions and recordkeeping in accordance with applicable HUD regulations and requirements.
 - (2) The Owner shall not charge any applicant or assisted Family any amount in excess of the total Family contribution except as authorized by HUD.
 - (3) In the initial renting of the Contract Units, the Owner must lease at least 30 percent to Very Low-Income Families (determined in accordance with HUD-established schedules and criteria). However, if this requirement cannot be met for substantial rehabilitation or previously HUD-owned projects because of families already residing in the project, HUD may permit the leasing of less than 30 percent of the units to Very Low-Income Families. Thereafter the Owner shall exercise best efforts to maintain (or achieve and maintain) at least 30 percent occupancy of the Contract Units by Very Low-Income Families. In addition, at all times, the Owner will use its best efforts to achieve leasing to Families with a range of incomes so that the average of incomes of all Families in occupancy is at or above 40 percent of the median income in the area.
 - (4) The Lease entered into between the Owner and each selected Family shall be on the form of Lease approved by HUD.
 - (5) (i) The Owner shall make a reexamination of Family income, composition, and the extent of medical or other unusual expenses incurred by the Family at least as often as required by HUD regulations or other requirements, 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 applicable HUD regulations and requirements.
 - (ii) If a family reports a change in income or other circumstances that would result in a decrease of total family contribution between regularly scheduled reexaminations, the Owner, upon receipt of verification of the change, must promptly make appropriate adjustments in the total family contribution. The Owner may require in its lease that families report increases in income or other changes between scheduled reexaminations.
 - (iii) In connection with the reexamination, the Owner shall determine what percentage of Families in occupancy are Very Low-Income Families and what the average Family income is. If there are fewer than 30 percent Very Low-Income Families in occupancy, or the average income is below 40 percent of the median, the Owner shall report the fact to HUD and shall adopt appropriate changes in its admission policies.
 - (iv) A Family's eligibility for housing assistance payments continues until its total Family contribution equals the total housing expense for the unit it occupies. The termination of

eligibility at this point will not affect the Family's other rights under the lease nor preclude resumption of payments as a result of later changes in income or other circumstances during the term of this Contract.

- (6) Where fewer than 100 percent of the units in the project are covered by this Contract, assisted Families shall be dispersed throughout. At initial rent-up, the Owner shall lease the units identified in Exhibit 1 to eligible Families. Thereafter, the Owner may lease other units of appropriate size and type to eligible Families in accordance with Exhibit 1. For projects with units for both elderly and non-elderly Families, the respective family types may be grouped together.
- (7) The Owner shall maintain as confidential all information relating to section 8 applicants and assisted Families, the disclosure of which would constitute an unwarranted invasion of personal privacy.
- (d) Rent Redetermination after Adjustment in Utility Allowance.
In the event that the Owner is notified of a CA determination approving or requiring an adjustment in the Utility Allowance 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 HUD and PHA regulations and requirements and shall maintain records and furnish such copies or other information as may be required by HUD or the PHA.
- (f) Review: Incorrect Payments. In making housing assistance payments to Owners, the PHA or HUD 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 PHA or HUD at any time, it is determined that the Owner has received improper or excessive housing assistance payments, the PHA or HUD shall have the right to deduct the amount of such overpayments from any amounts otherwise due the Owner, or otherwise effect recovery.

2.9 TERMINATION OF TENANCY OR SECTION 8 ASSISTANCE BY THE OWNER.

The Owner agrees not to terminate any tenancy of or assistance on behalf of an assisted Family except in accordance with all HUD regulations and other requirements, in effect at the time of the termination, and any State and local law.

2.10 REDUCTION OF NUMBER OF UNITS FOR FAILURE TO LEASE TO ELIGIBLE FAMILIES.

- (a) Limitation on Leasing to Ineligible Families. Except in the case of previously HUD-owned projects, the Owner may not at any time during the term of this Contract lease more than 10 percent of the assisted units in the project to families which are ineligible under section 8 requirements at initial occupancy without the prior approval of HUD. Failure on the part of the Owner to comply with this prohibition is a violation of the Contract and grounds for all available legal remedies, including specific performance of the Contract, suspension or debarment from HUD programs and reduction of the number of units under the Contract, as set forth in paragraph (b) of this section. (See also section 2.21.)
- (b) Reduction for Failure to Lease to Eligible Families - New and Rehab Projects. If, at any time beginning six months after the effective date of the Contract, the Owner fails for a continuous period of six months to have at least 90 percent of the assisted units leased or available for leasing by families eligible under section 8 requirements at initial occupancy, HUD (or the PHA at the direction of HUD, as appropriate) may, on at least 30 days' notice, reduce the number of units covered by the Contract. HUD or the PHA may reduce the number of units to the number of units actually leased or available for leasing plus 10 percent (rounded up). This reduction, however, will not be made if the failure to lease units to eligible families is permitted in writing by HUD under paragraph (a) of this section.

If, at any time beginning six months after the effective date of the Contract, the Owner fails for a continuous period of six months to have all of the assisted units leased or available for leasing by families eligible under section 8 requirements at initial occupancy, HUD may, on 30 calendar days' notice, reduce the number of Contract units to not less than the number of Contract units under lease, plus 10 percent of such number if the number is 10 or more, rounded up. Failure by the Owner to make a reasonable effort to lease the units to eligible families shall be a violation of the Contract and grounds for all legal remedies including those specified in paragraph (a) and section 2.21.

- (d) Restoration. HUD will agree to an amendment of the ACC or the Contract, as appropriate, to provide for subsequent restoration of any reduction made pursuant to paragraph (b) or (c) of this section if:
- (1) HUD determines that the restoration is justified by demand,
 - (2) The Owner otherwise has a record of compliance with its obligations under the Contract, and
 - (3) Contract authority is available. (HUD will take such steps authorized by section 8(c)(6) of the Act as may be necessary to carry out its agreement.

2.11 NONDISCRIMINATION.

- (a) General. The Owner shall not in the selection of families, in the provision of services, or in any other manner, discriminate against any person on the grounds of race, color, creed, religion, sex, national origin, or handicap.
- (b) Members of Certain Classes. The Owner shall not automatically exclude anyone from participation in, or deny anyone the benefits of, the Housing Assistance Payments Program because of membership in a class, such as unmarried mothers, recipients of public assistance, handicapped persons.
- (c) Title VIII of the Civil Rights Act of 1968. The Owner shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, which prohibits discrimination in the sale, rental, financing and advertising of housing on the basis of race, color, religion, sex, or national origin, and any related rules and regulations.
- (d) Title VI of the Civil Rights Act of 1964 and Executive Order 11063. The Owner shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, et seq.; the HUD Regulations issued thereunder, 24 CFR, Subtitle A, Part 1; the HUD requirements pursuant to these regulations; and Executive Order 11063 and any regulations and requirements issued thereunder, to the end that, in accordance with that Act, Executive Order 11063, and the regulations and requirements of HUD, no person in the United States shall, on the grounds of race, color, creed, or national origin, be excluded from participation in, or be denied the benefits of, the Housing Assistance Payments Program, or be otherwise subjected to discrimination. This provision is included pursuant to the regulations of HUD, 24 CFR, Subtitle A, Part 1 issued under Title VI of the Civil Rights Act of 1964, HUD regulations issued pursuant to Executive Order 11063 and the HUD requirements pursuant to the regulations. The obligation of the Owner to comply therewith inures to the benefit of the United States of America, HUD, and the FHA (where the CA is a FHA), any of which shall be entitled to invoke any remedies available by law to redress any breach or to compel compliance by the Owner.
- (e) Section 504 of the Rehabilitation Act of 1973. The Owner shall comply with all the requirements imposed by section 504 of the Rehabilitation Act of 1973, as amended, and any related rules and regulations. Section 504 provides that no qualified handicapped person shall, on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from Federal financial assistance. Accordingly, the Owner (1) shall not discriminate against any qualified handicapped person on the basis of handicap and (2) shall

cause to be incorporated into all contracts executed in connection with this project a provision requiring compliance with rules and regulations issued pursuant to section 504.

(f) Employees of Owner.

(1) In carrying out the obligations under this Contract, the Owner will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, handicap or national origin. The Owner will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, creed, religion, sex, handicap or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

(2) The Owner agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this nondiscrimination clause. The Owner will in all solicitations or advertisements for employees placed by or on behalf of the Owner state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, handicap or national origin. The Owner will incorporate the foregoing requirements of this paragraph in all of its contracts for project work, except contracts for standard commercial supplies or raw materials, and will require all of its contractors for such work to incorporate such requirements in all subcontracts for project work.

(g) Age Discrimination Act of 1975. The Owner shall comply with any rules and regulations issued or adopted by HUD under the Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et seq., which prohibits discrimination on the basis of age in programs and activities receiving Federal financial assistance.

2.12 COOPERATION IN EQUAL OPPORTUNITY COMPLIANCE REVIEWS.

The Owner and the PHA (where the CA is a PHA) agree to cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to or permitted by all applicable civil rights statutes, Executive Orders, and rules and regulations.

2.13 TRAINING, EMPLOYMENT AND CONTRACTING OPPORTUNITIES FOR BUSINESSES AND LOWER INCOME PERSONS. (See section 1.4 for applicability of this section.)

(a) The project assisted under this Contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given lower-income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.

(b) Notwithstanding any other provision of this Contract, the Owner shall carry out the provisions of section 3 and the regulations issued by HUD as set forth in 24 CFR, Part 135, and all applicable rules and orders of HUD issued thereunder prior to the execution of this Contract. The requirements of the regulations include, but are not limited to, development and implementation of an affirmative action plan for utilizing business concerns located within, or owned in substantial part by persons residing in, the area of the project; the making of a good faith effort, as defined by the regulations, to provide training, employment, and business opportunities required by section 3; and incorporation of the "section 3 clause" specified by section 135.20(b) of the regulations and paragraph (d) of this section in all contracts for work in connection with the project. The Owner certifies and agrees that it is under no contractual or other disability which would prevent it from complying with these requirements.

- (c) Compliance with the provisions of section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders issued by HUD thereunder prior to execution of this Contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the Owner, its contractors and subcontractors, its successors and assigns. Failure to fulfill these requirements shall subject the Owner, its contractors and subcontractors, its successors, and assigns to the sanctions specified by this Contract, and to such sanctions as are specified by 24 CFR, Section 135.135.
- (d) The Owner shall incorporate or cause to be incorporated into any contract or subcontract for work pursuant to this Agreement in excess of \$50,000 cost, the following clause:

EMPLOYMENT OF PROJECT AREA RESIDENTS AND CONTRACTORS

- "A The work to be performed under this Contract is on a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given lower-income residents of the project area, and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.
- "B The parties to this Contract will comply with the provisions of section 3 and the regulations issued pursuant thereto by HUD as set forth in 24 CFR, Part 135, and all applicable rules and orders of HUD issued thereunder prior to the execution of this Contract. The parties to this Contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- "C The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the labor organization or workers' representative of his commitments under this section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- "D The contractor will include this section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by HUD, 24 CFR, Part 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR, Part 135, and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- "E Compliance with the provisions of section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of HUD issued thereunder prior to the execution of the Housing Assistance Payments Contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the Owner, its contractors and subcontractors, its successors, and assigns. Failure to fulfill these requirements shall subject the Owner, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the Housing Assistance Payments Contract, and to such sanctions as are specified by 24 CFR, Section 135.135."

- (e) The Owner agrees that it will be bound by the above section 3 clause with respect to its own employment practices when it participates in federally assisted work.

2.14 FLOOD INSURANCE. (See section 1.4 for applicability.)

The Owner agrees that the project will be covered, during its anticipated economic or useful life, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

2.15 CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT. (See section 1.4 for applicability of this section.)

In compliance with regulations issued by the Environmental Protection Agency ("EPA"), 40 CFR, Part 15, pursuant to the Clean Air Act, as amended ("Air Act"), 42 U.S.C. 7401, et seq., the Federal Water Pollution Control Act, as amended ("Water Act"), 33 U.S.C. 1251, et seq., and Executive Order 11733, the Owner agrees:

- (a) Not to utilize any facility in the performance of this Contract or a nonexempt subcontract which is listed on the EPA List of Violating Facilities pursuant to section 15.20 of the regulations;
- (b) Promptly to notify the CA of the receipt of any communication from the EPA indicating that a facility to be utilized for the Contract is under consideration to be listed on the EPA List of Violating Facilities;
- (c) To comply with all the requirements of section 114 of the Air Act and section 306 of the Water Act relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in section 114 of the Air Act and section 306 of the Water Act, and all regulations and guidelines issued thereunder; and
- (d) To include or cause to be included the provisions of this Contract in every nonexempt subcontract and take such action as HUD may direct as a means of enforcing such provisions.

2.16 REPORTS AND ACCESS TO PREMISES AND RECORDS.

- (a) The Owner shall furnish any information and reports pertinent to this Contract as reasonably may be required from time to time by HUD and the PHA (where the CA is a PHA).
- (b) The Owner shall permit HUD and the PHA (where the CA is a PHA) or any of their duly authorized representatives to have access to the premises and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the Owner that are pertinent to compliance with this Contract, including the verification of information pertinent to the housing assistance payments.

2.17 DISPUTES.

(a) For Private-Owner/PHA Projects:

- (1) Any dispute concerning a question of fact arising under this Contract which cannot be resolved by the PHA and the Owner may be submitted by either party to the HUD Field Office which will promptly make a decision and furnish a written copy to the Owner and the PHA.
- (2) The decision of the Field Office will not be reviewable unless, within 30 calendar days from the date of receipt of the Field Office's determination, either party mails or otherwise furnishes to HUD a written appeal with written justification addressed to the Secretary of Housing and Urban Development. Both parties shall proceed diligently with the performance of the Contract and in accordance with the decision of the Field Office pending resolution of the appeal.

(b) For Private-Owner/HUD or PHA-Owner/HUD Projects:

Any dispute concerning a question of fact arising under this Contract which cannot be resolved by agreement between the HUD Field Office and the Owner may be submitted by the Owner to the Secretary of Housing and Urban Development. Both parties shall proceed diligently with the performance of the Contract and in accordance with the decision of the Field Office, pending resolution of the appeal.

2.18 INTEREST OF MEMBERS, OFFICERS, OR EMPLOYEES OF PHA, MEMBERS OF LOCAL GOVERNMENT BODIES, OR OTHER PUBLIC OFFICIALS.

- (a) No person or entity in the following classes shall have an interest, direct or indirect, in this Agreement or in any proceeds or benefits arising from it, during his or her tenure or for one year thereafter.
- (1) any member or officer of the PHA (where it is the CA or the Owner), except where his or her interest is as tenant;
 - (2) (i) any employee of the PHA (where it is the CA or the Owner) who formulates policy or influences decisions with respect to the section 8 project;
(ii) any other employee of the PHA (where it is the CA or the Owner), except where his or her interest is as a tenant;
 - (3) any member of the governing body or the executive officer of the locality (city or county) in which the project is situated;
 - (4) any member of the governing body or executive officer of the locality (city or county) in which the PHA (where it is the CA or the Owner) was activated;
 - (5) any other State or local public official (including State legislators), who exercises any functions or responsibilities with respect to the section 8 project;
 - (6) any PHA (which is not the CA), where any of its members, officers, or employees has a personal interest in the project, including an interest by reason of membership on the board of the PHA which is the CA (except an employee who does not formulate policy or influence decisions with respect to the section 8 project may have an interest as a tenant).
- (b) Members of the classes described in paragraph (a) who involuntarily acquire an interest in the section 8 program or in a section 8 project, or who had acquired prior to the beginning of their tenure any such interest, must disclose any interest or prospective interest to the PHA (where it is the CA or the Owner) and the HUD Field Office, and may, with appropriate justification, if consistent with State law, apply to the HUD Field Office (through the PHA where it is the CA) for a waiver. Any other requests for waivers of paragraph (a) must be referred to the HUD Headquarters, with appropriate recommendations from the Field Office, for a determination of whether a waiver will be granted.
- (c) No person to whom a waiver is granted shall be permitted (in his or her capacity as member of a class described in paragraph (a)) to exercise responsibilities or functions with respect to an Agreement or a Contract executed, or to be executed, on his or her behalf, or with respect to an Agreement or a Contract to which this person is a party.
- (d) The Owner shall insert in all contracts, subcontracts, and arrangements entered into in connection with the project or any property included or planned to be included in the project, and shall require its contractors and subcontractors to insert in each of the subcontracts, the provisions of paragraphs (a) through (d).
- (e) The provisions of paragraphs (a) through (d) of this section shall not apply to a utility service if the rates are fixed or controlled by a governmental agency or applicable to the Depositary Agreement.

2.19 INTEREST OF MEMBER OF OR DELEGATE TO CONGRESS.

No member of or delegate to the Congress of the United States of America or resident commissioner shall be admitted to any share or part of this Contract or to any benefits which may arise from it.

ASSIGNMENT, SALE OR FORECLOSURE

- The Owner agrees that it has not made and will not make any sale, assignment, or conveyance or transfer in any fashion, of this Contract, the Agreement, the ACC (if applicable), or the project or any part of them or any of its interest in them, without the prior written consent of HUD and the PHA where it is the CA. However, in the case of an assignment as security for the purpose of obtaining financing of the project, HUD (and the PHA where it is the CA) shall consent in writing if HUD has approved the terms of the financing.
- (b) The Owner agrees to notify HUD (and the PHA where it is the CA) promptly of any proposed action covered by paragraph (a) of this section. The Owner further agrees to request the prior written consent of HUD (and the PHA where it is the CA).
- (c) (1) For purposes of this section, a sale, assignment, conveyance, or transfer includes but is not limited to one or more of the following:
- (i) A transfer by the Owner, in whole or in part,
 - (ii) A transfer by a party having a substantial interest in the Owner,
 - (iii) Transfers by more than one party of interests aggregating a substantial interest in the Owner,
 - (iv) Any other similarly significant change in the ownership of interests in the Owner, or in the relative distribution of interests by any other method or means, and
 - (v) Any refinancing by the Owner of the project.
- (2) An assignment by the Owner to a limited partnership, in which no limited partner has a 25 percent or more interest and of which the Owner is the sole general partner, shall not be considered an assignment, conveyance, or transfer. An assignment by one or more general or limited partners of a limited partnership interest to a limited partner, who will have no more than a 25 percent interest, shall not be considered an assignment, conveyance, or transfer.
- (3) The term "substantial interest" means the interest of any general partner, any limited partner having a 25 percent or more interest in the organization, any corporate officer or director, and any stockholder having a 10 percent or more interest in the organization.
- (d) The Owner and the party signing this Contract on behalf of the Owner represent that they have the authority of all of the parties having ownership interests in the Owner to agree to this provision on their behalf and to bind them with respect to it.
- (e) Except where otherwise approved by HUD, this Contract, the Agreement, and the ACC (if applicable) shall continue in effect and housing assistance payments will continue in accordance with the terms of the Contract in the event:
- (1) Of assignment, sale, or other disposition of the project or this Contract, the Agreement, or the ACC,
 - (2) Of foreclosure, including foreclosure by HUD,
 - (3) Of assignment of the mortgage or deed in lieu of foreclosure,
 - (4) The PHA or HUD takes over possession, operation or ownership,
 - (5) The Owner prepays the mortgage.

PH. Events of Default if PHA Defaults under Contract: for Private-Owner PH. Projects.

(1) Events of Default. The occurrence of any of the following events, if the Owner is not in default, is defined as a default under the ACC:

- (i) If the PHA fails to perform or observe any term or condition of this Contract;
- (ii) If the Contract is held to be void, voidable, or ultra vires;
- (iii) If the power or right of the PHA to enter into the Contract is drawn into question in any legal proceeding; or
- (iv) If the PHA asserts or claims that the Contract is not binding upon the PHA for any such reason.

(2) Owner Request for HUD Determination of Default.

If the Owner believes that an event as specified in paragraph (a)(1) has occurred, and the Owner is not in default, the Owner may, within 30 days of the initial occurrence of the event:

- (i) Notify HUD of the occurrence of the event;
- (ii) Provide supporting evidence of the default and of the fact that the Owner is not in default; and
- (iii) Request HUD to determine whether there has been a default.

(3) HUD Determination of Default and Curing of Default.

HUD, after notice to the PHA giving it a reasonable opportunity to take corrective action, or to demonstrate that it is not in default, shall make a determination whether the PHA is in default and whether the Owner is not in default. If HUD determines that the PHA is in default and that the Owner is not, HUD shall take appropriate action to require the PHA to cure the default. If necessary for the prompt continuation of the project, HUD shall assume the PHA's rights and obligations under the Contract, including any funds. HUD shall continue to pay annual contributions with respect to the units covered by this Contract in accordance with the ACC and this Contract until reassigned to the PHA. All rights and obligations of the PHA assumed by HUD will be returned as constituted at the time of the return:

- (i) When HUD is satisfied that all defaults have been cured and that the project will thereafter be administered in accordance with all applicable requirements, or
- (ii) When the Contract is at an end, whichever occurs sooner.

(4) Enforcement by Owner. The provisions of this paragraph (a) are made for the benefit of the Owner, the lender, the PHA where it is the lender and then only in its capacity as lender, and the Owner's other assignees, if any, who have been specifically approved by HUD prior to the assignment. These provisions shall be enforceable by these parties against HUD by suit at law or in equity.

(b) Rights of PHA and HUD if Owner Defaults under Contract.

(1) Events of Default.

A default by the Owner under this Contract shall result if:

- (1) The Owner has violated or failed to comply with any provision of, or obligation under, this Contract or of any Lease, including failure to correct any deficiencies

identified by the CA in connection with any annual or other inspection; or

- (ii) The Owner has asserted or demonstrated an intention not to perform some or all of its obligations under this Contract or under any Lease; or
- (iii) For projects with mortgages insured by HUD or loans made by HUD, the Owner has violated or failed to comply with the regulations for the applicable insurance or loan program with the insured mortgage, or with the regulatory agreement, or the Owner has filed any false statement or misrepresentation with HUD in connection with the mortgage insurance or loan.

(2) CA Determination of Default.

Upon a determination by the CA that a default has occurred, the CA shall notify the Owner and the lender, with a copy to HUD where the CA is a PHA, of

- (i) The nature of the default,
- (ii) The actions required to be taken and the remedies to be applied on account of the default (including actions by the Owner and/or the lender to cure the default), and
- (iii) The time within which the Owner and/or the lender shall respond with a showing that all the required actions have been taken.

If the Owner and/or lender fail to respond or take action to the satisfaction of the CA (and HUD where the CA is a PHA), the CA shall have the right to take corrective action to achieve compliance, in accordance with paragraph (b)(3) or to terminate this Contract with HUD approval, in whole or in part, or to take other corrective action to achieve compliance in its discretion, or as directed by HUD (where the CA is a PHA).

(3) Corrective Actions.

Pursuant to paragraph (b)(2) of this section the CA, in its discretion or as directed by HUD (where the CA is a PHA), may take the following corrective actions either directly or in conjunction with or acting through a PHA:

- (i) Take possession of the project, bring any action necessary to enforce any rights of the Owner growing out of the project operation, and operate the project in accordance with the terms of this Contract until such time as HUD determines that the Owner is again in a position to operate the project in accordance with this Contract. If the CA takes possession, housing assistance payments shall continue in accordance with the Contract.
- (ii) Collect all rents and charges in connection with the operation of the project and use these funds to pay the necessary expenses of preserving the property and operating the project and to pay the Owner's obligations under the note and mortgage or other loan documents.
- (iii) Apply to any court, State or Federal, for specific performance of this Contract, for an injunction against any violation of the Contract, for the appointment of a receiver to take over and operate the project in accordance with the Contract, or for such other relief as may be appropriate. These remedies are appropriate since the injury to the PHA and/or HUD arising from a default under any of the terms of this Contract could be irreparable and the amount of damage would be difficult to ascertain.

(iv) Reduce or suspend housing assistance payments.

(v) Recover any overpayments.

(4) HUD Rights.

(For Private-Owner/PHA projects where the PHA is the lender.)

(i) Notwithstanding any other provisions of this Contract, in the event HUD determines that the Owner is in default of its obligations under the Contract, HUD shall have the right, after notice to the Owner, the trustee, if any, and the PHA giving them a reasonable opportunity to take corrective action, to proceed in accordance with paragraph (b)(3).

(ii) In the event HUD takes any action under this section, the Owner and the PHA hereby expressly agree to recognize the rights of HUD to the same extent as if the action were taken by the PHA. HUD shall not have the right to terminate the Contract except by proceeding in accordance with paragraphs (b)(1), (2), and (3) of this section and with the ACC.

(c) Remedies Not Exclusive and Non-Waiver of Remedies. The availability of any remedy under this Contract or the ACC, where applicable, shall not preclude the exercise of any other remedy under this Contract or the ACC or under any provisions of law, nor shall any action taken in the exercise of any remedy be considered a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

2.22 RELATIONSHIP OF PARENT ENTITY PHA AS OWNER TO AGENCY OR INSTRUMENTALITY PHA UNDER PART 811.

The Parent Entity PHA agrees to perform the functions with regard to the Agency or Instrumentality PHA required by the HUD regulations pursuant to which the relationship between the two PHAs was established and to which HUD approved the Agency or Instrumentality PHA.

R

Documentation of
Operating Budget

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$1,000
2. Office Salaries			\$61,000
3. Office Supplies			\$5,500
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$59,066
	5.00% of EGI	\$767.09	Per Unit
6. Manager Salaries			\$0
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$2,300
9. Auditing			\$12,000
10. Bookkeeping/Accounting Fees			\$3,500
11. Telephone & Answering Service			\$5,500
12. Tax Credit Monitoring Fee			\$2,695
13. Miscellaneous Administrative			\$18,480
	Total Administrative		\$171,041

Utilities

14. Fuel Oil			\$0
15. Electricity			\$37,200
16. Water			\$12,100
17. Gas			\$0
18. Sewer			\$32,500
	Total Utility		\$81,800

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$1,500
21. Janitor/Cleaning Contract			\$11,500
22. Exterminating			\$3,300
23. Trash Removal			\$4,500
24. Security Payroll/Contract			\$8,350
25. Grounds Payroll			\$0
26. Grounds Supplies			\$2,200
27. Grounds Contract			\$12,000
28. Maintenance/Repairs Payroll			\$18,000
29. Repairs/Material			\$14,000
30. Repairs Contract			\$7,700
31. Elevator Maintenance/Contract			\$11,000
32. Heating/Cooling Repairs & Maintenance			\$5,000
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$2,500
35. Decorating/Payroll/Contract			\$7,600
36. Decorating Supplies			\$2,200
37. Miscellaneous			\$5,000
	Totals Operating & Maintenance		\$116,350

2020 Low-Income Housing Tax Credit Application For Reservation

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$138,557
39. Payroll Taxes	\$7,000
40. Miscellaneous Taxes/Licenses/Permits	\$2,500
41. Property & Liability Insurance	\$57,500
42. Fidelity Bond	\$0
43. Workman's Compensation	\$2,500
44. Health Insurance & Employee Benefits	\$11,200
45. Other Insurance	\$0
Total Taxes & Insurance	\$219,257

Total Operating Expense	\$588,448
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Total Operating Expenses Per Unit	\$7,642	C. Total Operating Expenses as % of EGI	49.79%
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Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$23,100
---	-----------------

Total Expenses	\$611,548
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ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.



February 10, 2020

Thomas Wallinga
 AHC Inc.
 1501 Lee Hwy
 Arlington, VA 22209
thomas.wallinga@ahcinc.org

RE: Preliminary Utility Allowance for Arlington View Terrace East

Dear Mr. Wallinga,

Please see the following Preliminary Utility Allowance (UA) for Arlington View Terrace East located in Arlington, Virginia. Projections were generated with the applicable rates, fees, and taxes of following providers:

Electricity:	Dominion Energy	Gas:	N/A
Water:	Arlington County	Trash:	N/A
Sewer:	Arlington County		

The utility rates used to produce this UA are no older than the rates in place 60 days prior to the date of this letter. Below is a table depicting the highest monthly UA by each bedroom type. Should you have any questions do not hesitate to contact me.

EARTHCRAFT PRELIMINARY UA*			ALLOWANCES BY BEDROOM SIZE				
Utilities	Utility Type	Paid by	Studio	1-bdr	2-bdr	3-bdr	4-bdr
Heating	Electric	Tenant	\$ 11	\$ 14	\$ 16	\$ 19	N/A
Air Conditioning	Electric	Tenant	\$ 5	\$ 6	\$ 8	\$ 9	N/A
Cooking	Electric	Tenant	\$ 4	\$ 5	\$ 7	\$ 8	N/A
Lighting	Electric	Tenant	\$ 17	\$ 22	\$ 26	\$ 31	N/A
Hot Water	Electric	Tenant	\$ 10	\$ 13	\$ 15	\$ 18	N/A
Water	-	Tenant	\$ 7	\$ 10	\$ 15	\$ 20	N/A
Sewer	-	Tenant	\$ 14	\$ 19	\$ 29	\$ 38	N/A
Trash	-	Owner	\$ -	\$ -	\$ -	\$ -	N/A
Total UA for costs paid by tenant			\$ 68	\$ 89	\$ 116	\$ 143	N/A

**Allowances only for Arlington View Terrace East as an ENERGY STAR and EarthCraft Gold project. The water and sewer projections were produced using water fixtures with flow rates of 1.28 gpf toilets, 2.0 gpm showerheads, 2.2 gpm kitchen faucets, and 1.5 gpm lavatory faucets.*

Sincerely,

Rob McRaney

Rob McRaney
 Business Relations Manager

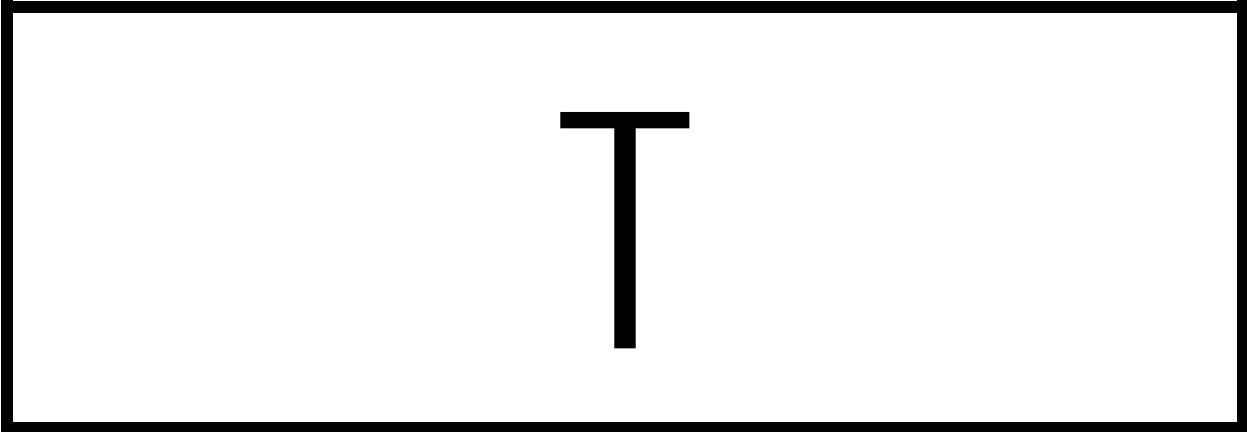
Arlington View Terrace East Operating Assumptions Notes:

Please note that the project is using a 5% vacancy rate versus the VHDA recommended 7% vacancy rate. This is based on the performance of other affordable housing developments in Arlington County, which experience a high demand in an increasingly unaffordable housing market.

S

Supportive Housing
Certification

This deal does not require
information behind this tab.



T

Funding Documentation



DEPARTMENT OF COMMUNITY PLANNING HOUSING AND DEVELOPMENT

Housing Division

Bozman Government Center 2100 Clarendon Blvd., Suite 700 Arlington, VA 22201
TEL 703.228.3760 FAX 703.228.3834 TTY 703.228.4611 www.arlingtonva.us

February 24, 2020

Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220-6500
Attn: Tax Credit Allocation Staff

Re: Financing Commitment for Arlington View Terrace East

Ladies and Gentlemen:

At its February 22, 2020 meeting, the County Board of Arlington County, Virginia (**County**) approved and committed an allocation of funds (**Commitment**) to make an Affordable Housing Investment Fund (AHIF) permanent loan in the principal amount of \$7,257,000 (**Loan**) and a \$984,000 Transit Oriented Affordable Housing Fund grant (**Grant**) to AHC Inc. (**AHC**) or its designated affiliate AHC LP-30 Arlington View to provide financing for the Arlington View Terrace East apartments (**Project**).

The Loan will bear interest at a rate of zero percent (0%) for the first two years, and then at a rate of one percent (1.0%) for thirty-five years, for a total term of thirty-seven (37) years. Repayment of the Loan will be subject to available cash flow from the Project.

AHC has represented that the Project will comply with all requirements and restrictions in its application for financing from the Virginia Housing Development Authority (**VHDA**). The County hereby consents to reliance on this Commitment by VHDA 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 black ink, appearing to read "Anne Venezia".

Anne Venezia

Acting Director, Housing Division
Arlington County



ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE COUNTY BOARD

2100 CLARENDON BOULEVARD, SUITE 300
ARLINGTON, VIRGINIA 22201-5406
(703) 228-3130 • FAX (703) 228-7430
E-MAIL: countyboard@arlingtonva.us



KENDRA JACOBS
CLERK TO
THE COUNTY BOARD

MEMBERS
LIBBY GARVEY
CHAIR
ERIK GUTSHALL
VICE CHAIR

KATIE CRISTOL
CHRISTIAN DORSEY
MATT DE FERRANTI

CERTIFICATION

I hereby certify that at its February 22, 2020 Regular Meeting, on a motion by MATT DE FERRANTI, MEMBER, seconded by CHRISTIAN DORSEY, MEMBER, and carried by a vote of 4 to 0, the voting recorded as follows: Libby Garvey, Chair - Aye, Christian Dorsey, Member - Aye, Katie Cristol, Member - Aye, and Matt de Ferranti, Member - Aye, the County Board of Arlington, Virginia, approved the **C.M. RECOMMENDATIONS** in the attached County Manager's report dated February 18, 2020 **SUBJECT:** Request for the County Board to: (i) commit to providing subsidized funding for the Arlington View Terrace redevelopment project by

(a) allocating \$7,257,000 in Fiscal Year 2020 Affordable Housing Investment Fund loan funds, and

(b) allocating \$984,000 in Transit Oriented Affordable Housing funds, for use by AHC Inc. (or its designated affiliate) to help finance the proposed redevelopment project, and (ii) adopt the attached resolution designating the area encompassing Arlington View Terrace Apartments as a "revitalization area" pursuant to Virginia Code Section 36-55.30:2.

Given under my hand this 25th day of February 2020.

SEAL

Kendra M. Jacobs, Clerk
Arlington County Board



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item Meeting of February 22, 2020

DATE: February 18, 2020

SUBJECT: Request for the County Board to: (i) commit to providing subsidized funding for the Arlington View Terrace redevelopment project by (a) allocating \$7,257,000 in Fiscal Year 2020 Affordable Housing Investment Fund loan funds, and (b) allocating \$984,000 in Transit Oriented Affordable Housing funds, for use by AHC Inc. (or its designated affiliate) to help finance the proposed redevelopment project, and (ii) adopt the attached resolution designating the area encompassing Arlington View Terrace Apartments as a “revitalization area” pursuant to Virginia Code Section 36-55.30:2.

C. M. RECOMMENDATION:

1. Allocate \$7,257,000 of FY 2020 Affordable Housing Investment Fund (AHIF) funds (101.495130.91102) to AHC Inc. or its designated County-approved ownership affiliate (AHC) (101.456300.91102), as an AHIF residual receipts loan to help finance AHC’s proposed redevelopment of a portion of Arlington View Terrace Apartments (Attachment 1) (AVT Project). The proposed \$7,257,000 AHIF residual receipts loan is subject to the allocation of federal 9% Low-Income Housing Tax Credits (LIHTCs) from the Virginia Housing Development Authority (VHDA) to AHC for the AVT Project in 2020, and the approval of final AHIF residual receipt loan documents by the County Board. The financing assistance would be in the form of a subordinated residual receipts loan subject to the loan terms and conditions outlined in this report (Attachment 2).
2. Allocate \$984,000 of FY 2020 Transit Oriented Affordable Housing (TOAH) funds to AHC (336.455100.72402) to assist AHC with the payment of certain County fees and infrastructure costs related to the AVT Project. The proposed \$984,000 in TOAH funding is subject to the allocation of federal 9% LIHTCs from VHDA to AHC for the AVT Project in 2020 and the approval of the final terms and conditions as set forth in the TOAH financing documents by the County Board.
3. Adopt the attached Revitalization Area Resolution to designate the Arlington View

County Manager:

County Attorney:

25.

Staff: Melissa Danowski, CPHD-Housing Division

Terrace property at 1420 South Rolfe Street as a Revitalization Area pursuant to Section 36-55.30:2 of the Code of Virginia, as amended (Attachment 3).

ISSUES: There are no known issues at this time.

SUMMARY: In order to support its application to the Virginia Housing Development Authority (VHDA) to receive an allocation of federal 9% Low-Income Housing Tax Credits (LIHTCs) for its redevelopment of a portion of Arlington View Terrace Apartments, AHC Inc. is requesting that the County Board (i) commit to providing subsidized funding for the proposed redevelopment project by (a) allocating \$7,257,000 in Fiscal Year 2020 Affordable Housing Investment Fund loan funds, and (b) allocating \$984,000 in Transit Oriented Affordable Housing (TOAH) funds, for use by AHC Inc. or its County approved affiliate (AHC) to help finance the proposed redevelopment project, and (ii) adopt the attached resolution designating the area encompassing Arlington View Terrace Apartments as a “revitalization area” pursuant to Virginia Code Section 36-55.30:2.

Currently, Arlington View Terrace Apartments has seven buildings with 77 committed affordable residential units (CAFs). AHC is proposing to redevelop one of the existing buildings that currently contains 30 CAFs by constructing a new apartment building in its place that will contain 77 CAFs, increasing the total number of CAFs at the Arlington View Terrace Apartments from 77 to 124.

A concurrent Neighborhoods Form Based Code application was submitted, and AHC received administrative approval for this application on January 31, 2020. AHC plans to submit a competitive 9% LIHTC application by March 12, 2020 to VHDA. If AHC is awarded the 9% LIHTCs by VHDA in 2020, construction is expected to be completed by Spring of 2023.

BACKGROUND: Arlington View Terrace Apartments (AVT) is an existing 77-unit CAF apartment community, containing seven buildings located in the Arlington View neighborhood near Columbia Pike. The development was built in 1959 and acquired by affiliates of AHC Inc. in 1982. The land on which the apartment buildings are located is owned by AHC Services Corporation, and the buildings are owned by AHC Limited Partnership -3. All existing units are subsidized by a HUD project-based Housing Assistance Payments (HAP) contract. AHC proposes redeveloping one building that contains 30 existing units into a new 77-unit building (124 total CAFs at the property) and is requesting County financing to assist with the acquisition of land and the construction of the 77 new CAFs. Once construction is complete, the existing HAP contract units would be redistributed throughout the property, subject to discussions with HUD. AHC will also be completing a Tenant Relocation Plan for the affected tenants in the 30 units that will be demolished, per the Tenant Relocation Guidelines.

AHC submitted a Fiscal Year (FY) 2020 Notice of Funding Availability (NOFA) application requesting \$6.9M in County financing to redevelop 30 of the existing units into a new 72-unit building (119 total CAFs at the property). They received a staff recommendation to continue the negotiation and public process. Since the time of the NOFA application, AHC has increased the proposed number of new construction units to 77 units (124 total CAFs at the property), added plans for solar energy, and increased the County funding request to \$8,241,000. Of this amount,

\$7,257,000 would be in the form of an AHIF loan and the remaining \$984,000 would be provided as a TOAH grant to assist AHC with the payment of certain County fees and infrastructure costs related to the development of the new CAFs. If AHC is successful in receiving an award of additional competitive sources, a portion of the AHIF funds (as much as \$776,000), would be deallocated prior to financing closing, anticipated for Spring 2021.

DISCUSSION:

Sustainability: The proposed new redevelopment building at AVT (AVTE Building) is designed to achieve EarthCraft Gold certification. It will include a solar energy installation that will be used to power the common areas of the building. Planned building amenities include a landscaped courtyard, fitness room, and a community room.

Digital Equity: Low-income residents often cannot afford internet access or can only afford service that provides very low bandwidth or limited service. Recognizing the impact that the digital divide has on low-income households, AHC will be providing free in-unit Internet access to the residents of the proposed AVTE Building.

Affordable Housing Program: The 77 newly constructed CAFs in the AVTE Building will be affordable for 75 years. Of the 77 total units, 10% (eight units) will be constructed to meet Uniform Federal Accessibility Standards and American National Standards Institute Type A requirements and two of those units will be accessible for those with hearing/visual impairments. The development will also include eight Permanent Supportive Housing (PSH) units. The PSH unit mix will include six 1-BR units (to include two Type A accessible units), one 2-BR unit, and one 3-BR unit.

The proposed unit and affordability mix is as follows:

Unit Type	30% AMI	50% AMI	60% AMI	Total
Studio	1	0	0	1
1 BR	3	5	6	14
2 BR	2	20	25	47
3 BR	2	6	7	15
Total	8	31	38	77

Of the total 77 units, approximately 10% will be affordable up to 30% of AMI, 40% of the units will be affordable up to 50% AMI, and the remaining 50% of the units will be affordable up to 60% AMI (Rent and Income Limits for Arlington County Affordable Housing Programs). Over half of the total units in the AVTE Building will be composed of family-sized units (81%). In total, the development will add 47 net new affordable housing units to the CAF inventory.

The proposal to construct a new multi-family housing building with 100% CAFs meets several of the Goals, Objectives and Policies of the County Board-adopted Affordable Housing Master Plan (AHMP), as follows:

AHMP Policy Number	Description
1.1.1	The development will create 77 new construction CAF units (47 net new CAFs) through County financial assistance.
1.1.5	The CAFs will be committed affordable for 75 years.
1.1.6	Approximately 10% of the CAFs will be affordable up to 30% of AMI (8 CAFs) and 40% of the units will be affordable up to 50% AMI (31 CAFs).
1.1.8	The development will add 17 net new 2-BR family sized units and 15 net new 3-BR family sized units to the CAF inventory.
1.1.9 and 3.2.2	The development will create 77 new construction CAFs near the transit corridors (Columbia Pike) providing access to transportation options, consistent with the County's adopted land use plans and policies.
2.3.2 and 2.5.2	The development will provide eight PSH units.
2.5.3	The development helps to maintain a sufficient supply of CAF units that are accessible for persons with physical and sensory disabilities by adding eight Type-A accessible units.
3.3.1 and 3.3.2	The development will incorporate environmental sustainability practices by obtaining certification for EarthCraft Gold and incorporating solar energy.
3.4.1 and 3.4.2	Affordability restrictions will be in place for 75 years; County loans ensure the financial feasibility of the development.

Revitalization Area: Applying for tax credits is a highly competitive process, with points awarded to projects that meet specific criteria. A project is eligible for 15 “Revitalization Area” points if it is located in a Revitalization Area that meets the definition set forth in Virginia Code § 36-55.30:2. To receive the points, a County Board resolution is needed citing the specific statutory criteria (Attachment 3). If the County Board designates the AVT property as a “Revitalization Area,” the designation will be used solely for the purpose of AHC’s LIHTC application, and if AHC is awarded LIHTC, for VHDA financing.

The proposed Revitalization Area is located within the boundaries of the County Board adopted Columbia Pike Neighborhoods Area Plan (the Plan), which calls for an increase in residential density. Part of the Plan’s vision for Columbia Pike is for development to support a diverse, mixed-income community with strong single family and multifamily neighborhoods that support the mixed-use commercial centers. This project meets the definition which cites the area “currently lacks housing needed to induce manufacturing, industrial, commercial, governmental, education, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area.”

In order to develop affordable housing at this site, it is necessary to provide assistance in the form of an AHIF loan. Therefore, this site would also meet the criteria that, “private enterprise

and investment are not reasonably expected, without assistance, to produce housing supporting the needs of low- and moderate-income persons and families.”

Development Budget and Financing Package: AHC plans to finance the development and construction of the AVTE Building with 9% LIHTC. The total development cost is estimated to be \$38,414,955, of which an estimated 5% will be acquisition cost, 71% will be construction hard costs, 12% will be for soft costs and reserves, 7% will be the developer fee, and 5% will be financing costs. Pending an award of 9% LIHTC by VHDA, AHC’s anticipated financing package for the project will include a VHDA first mortgage (including taxable bonds, REACH, and REACH Plus), tax credit equity, a deferred developer fee, a developer sponsor loan equity contribution, TOAH funds, and the AHIF loan. The proposed sources and uses are as follows:

ANTICIPATED AVTE BUILDING PROJECT SOURCES AND USES

SOURCES OF FUNDS		USES OF FUNDS	
LIHTC Investor Equity	\$ 19,010,099	Acquisition Cost	\$ 1,925,000
VHDA Loans [1]	\$ 9,172,000	Construction/Hard Costs	\$ 27,195,365
County AHIF Loan	\$ 7,257,000	Soft Costs	\$ 3,691,583
TOAH	\$ 984,000	Reserves	\$ 777,987
Sponsor Loan (AHC)	\$ 1,148,100	Financing Costs	\$ 2,060,371
Deferred Developer Fee	\$ 843,756	Developer Fee	\$ 2,764,649
TOTAL SOURCES	\$ 38,414,955	TOTAL USES	\$ 38,414,955

[1] It is anticipated that VHDA will loan the following funds: \$4,400,000 in taxable bond proceeds, \$2,772,000 from its REACH program and \$2,000,000 for its REACH Plus program.

AHIF Funds Requested: AHC is requesting \$8,241,000 in total County funds, of which \$7,257,000 would be in the form of an AHIF loan (\$94,247/unit) and \$984,000 would be in the form of a TOAH grant (\$12,779/unit). If AHC is successful in receiving an award of additional competitive sources, described below, as much as \$776,000 in AHIF would be deallocated prior to financing closing, anticipated for Spring 2021. The resulting AHIF loan would be \$6,481,000 (\$84,169/unit). The adjusted County fund request of \$7,465,000 (\$6,481,000 AHIF plus \$984,000 in TOAH funds) increased \$565,000 from the original NOFA application due to the incorporation of five additional CAFs and solar energy.

AHC intends to apply for competitive sources, which include \$500,000 in Federal Home Loan Bank (FHLB) funds and \$1,200,000 in Virginia Department of Housing and Community Development (DHCD) funds (\$1,700,000 total competitive sources). The applications for these competitive sources will be made after a VHDA tax credit allocation. Since VHDA does not allow uncommitted sources on their application, AHC has proposed that AHC and the County share this gap in the interim. On the County side, this means including \$776,000 in the initial AHIF funding allocation. If these sources are successfully obtained, \$776,000 of the County loan would be de-allocated (at closing) to the \$6,481,000 amount.

Meanwhile, AHC increased their initial \$747,100 sponsor loan by an additional \$401,000 to cover a portion of the uncommitted funding sources. If some or all of the competitive funding is received, AHC and the County will de-allocate their increased funding amounts proportionately (66% County, 34% AHC). The AHC sponsor loan will be no less than \$747,100. Also, if AHC

receives an award of 9% LIHTC by VHDA, at least \$6,481,000 in AHIF loan funds would need to be allocated due to the 9% LIHTC application rules for receiving tax credit points based on the subsidized funding level. As a result, if AHC is successful in obtaining the entire \$1,700,000 in competitive sources, the use of the additional sources of funding over the combined \$1,177,000 (\$776,000 AHIF loan amount to be de-allocated at closing plus \$401,000 reduction in AHC's sponsor loan) will be determined prior to financing closing. The additional funding sources could be used to achieve deeper affordability levels or other uses to be determined.

TOAH Funds: The Columbia Pike Tax Increment Financing (TIF) district was established as a funding mechanism for the TOAH fund, which is intended to promote affordable housing development within designated boundaries of the Columbia Pike corridor. Affordable housing developers who are applying for LIHTC may put TOAH funds towards infrastructure-related items (like underground utilities, tree preservation, and streetscaping) and County fees (such as Certificate of Occupancy, building permits and tap fees).

The TOAH balance is approximately \$984,000 and these funds would be provided as a grant. The proposed AVTE Building project would be the second development to utilize TOAH, the first being Gilliam Place which received \$745,298 in 2017.

AHIF Terms: Staff recommends the proposed \$7,257,000 AHIF loan have a 37-year term to be coterminous with the VHDA permanent financing 35-year loan term. During the first two years of the AHIF loan term, which coincides with the construction period, the AHIF loan will accrue interest at a rate of zero percent (0%) per annum. Thereafter, for the remaining 35 years of the term, the AHIF loan will accrue interest at a rate of 1.0% per annum, compounded annually. The AHIF loan will be secured by a deed of trust subordinated to the senior financing and repayable from the AVTE Building residual receipts. The proposed loan terms and conditions for the AHIF loan for the AVTE Building are detailed in Attachment 2.

Anticipated Timeline: Contingent upon County Board approval of the AVTE Building County financing request, AHC will apply for 9% LIHTC by March 12, 2020 and anticipates notification from VHDA of its award status by June 2020. If AHC receives an award, then County staff will bring forward a request to the County Board for approval of the County loan, TOAH, and subordination documents in Spring 2021. Following construction closing, AHC would begin demolition of the existing apartment building and begin construction, anticipated to be completed by Spring of 2023.

Existing Public-School Students and Student Generation Estimates: As of September 2019, there were 31 students residing at the AVT property. This includes 21 elementary school, 11 middle school, and 9 high school students. The distribution of students by school attended is not provided because of privacy reasons.

Arlington Public Schools (APS) projects 71 students at the entire AVT property once the new 77 units are built (124 total CAFs). This projection includes the students generated from the 77 new construction units as well as the students that would continue to reside in the remaining 47 garden apartment units. This development is currently zoned for Hoffman-Boston Elementary School, Gunston Middle School, and Wakefield High School.

- Number of Elementary School Students (K-5) generated: 39
- Number of Middle School Students (6-8) generated: 12
- Number of High School Students (9-12) generated: 20

The above estimates are generated by APS using the housing characteristics presented at the time of the AHIF application and using student generation factors that reflect the 2019-2020 school attendance boundaries. Should these housing unit characteristics or the student generation factors change, then the student generation estimates would also change. APS provides no guarantee that any residential development will continually be served by the same elementary, middle and/or high school(s).

PUBLIC ENGAGEMENT:

Level of Engagement: Involve

Outreach Methods: As part of the Neighborhoods Form Based Code approval process, the proposed development was presented to the Form Based Code Advisory Working Group (FBC AWG) on December 11, 2019 and presented to the Arlington View Civic Association on December 18, 2019. The development was also presented to the Housing Commission as an information item on December 5, 2019, at a “Bricks and Mortar” Housing Commission subcommittee meeting item on January 29, 2019, and as an action item at the Housing Commission’s February 13, 2020 meeting.

Community Feedback: Both the FBC AWG and the Arlington View Civic Association expressed general support for the development proposal. The Housing Commission expressed support for the AHIF loan fund, TOAH, and Revitalization Area Resolution requests by a vote of 9-1-1. One Commissioner abstained because they are an employee of AHC, Inc. The dissenting Commissioner indicated that they did not support the project due to the location in a Census tract with poverty levels that are comparatively high with the rest of Arlington. Staff responded that this development helps fulfill the ambitious affordability goals of the County Board adopted Columbia Pike Neighborhoods Area Plan and the Affordable Housing Master Plan.

FISCAL IMPACT: There are sufficient unallocated AHIF funds to support the \$7,257,000 AHIF request. There are also sufficient unallocated TOAH funds to support the \$984,000 TOAH request. In addition, it is anticipated that the inclusion of eight PSH units will have a fiscal impact on the County’s PSH program budget. The full year incremental cost increase to the budget is estimated to be approximately \$140,725 per fiscal year upon project completion and occupancy (anticipated in Spring 2023).

ATTACHMENT 1
Arlington View Terrace East (AVTE) Site
1420 South Rolfe Street



ATTACHMENT 2

Arlington View Terrace East AHIF Loan Terms and Conditions - \$7,257,000

1. The Applicant for the Arlington View Terrace East AHIF Loan ("Applicant") shall apply to the Virginia Housing Development Authority (VHDA) by March 12, 2020 for an annual 9% tax credit request. If the Applicant does not receive 9% credits from the 2020 award cycle, the Applicant commits to reapply for 9% credits in 2021.
2. The Applicant shall execute an Affordable Housing Investment Fund Loan Agreement ("AHIF Loan Agreement") and other related loan instruments, as drafted and finalized by the County Attorney, in a form acceptable to the County Manager and the County Attorney and subject to County Board approval.
3. The Applicant shall include these Arlington View Terrace East AHIF Loan Terms and Conditions when requesting proposals from senior lenders and investors. If any terms are negotiated between the Applicant and other parties that are in violation of these Loan Terms and Conditions, the Applicant must submit a request to the County Board to consider revision of these Loan Terms and Conditions as necessary to conform to the negotiated terms between the Applicant and such other parties.
4. Within 30 days of receipt of final third party debt and equity commitments, the Applicant shall submit a final sources and uses table for Arlington View Terrace East for approval by the County Manager or his designee.
5. The AHIF Loan shall be secured by Arlington View Terrace East, and shall be repayable from the project's Residual Receipts, as defined in the AHIF Loan Agreement. As set forth in the related promissory note, and subject to an Event of Default (as defined in the AHIF Loan Agreement), the unpaid principal balance of this AHIF Loan shall accrue at: zero interest for the two-year period of time commencing on the date of construction closing; and the below market rate of one percent (1.0%) per annum commencing on the date that is two years after construction closing, compounded annually as called for in the related promissory note. The term shall be thirty-eight (37) years from construction closing.
6. Beginning in the first operating year and each subsequent year during the loan term, the County shall receive fifty percent (50%) of the Arlington View Terrace East Residual Receipts as an annual payment towards the Arlington View Terrace East AHIF Loan.

Residual Receipts as defined in the County Loan Agreement, shall specifically include, but not be limited to, the amount by which gross revenues exceed annual debt service payments, approved operating expenses, payments to replacement reserve, and a priority payment fee of up to \$7,700 for AHC Asset Management and up to \$7,700 for AHC Resident Services, which can be escalated annually at two percent (2%). Any other fees or payments in excess of what is stated here must be paid from the Applicant's portion of Residual Receipts.

7. The Applicant shall receive a two million, seven-hundred and sixty-four thousand, six hundred and forty-nine dollar (\$2,764,649) developer fee for Arlington View Terrace East. The Applicant shall defer eight hundred forty-three thousand and seven hundred fifty-six dollars (\$843,756) of this developer fee as source of financing for Arlington View Terrace East.
8. The Applicant shall provide a one-million, one-hundred forty-eight thousand and one hundred dollar (\$1,148,100) sponsor loan or equivalent form of equity to Arlington View Terrace East. The sponsor loan or equivalent form of equity will be subordinate to the County loan.
9. If the Applicant secures additional sources of financing up to one million and one hundred thousand and seventy seven dollars (\$1,177,000) prior to construction closing, thirty-four percent (34%) of those proceeds up to four hundred and one thousand dollars (\$401,000) may be applied towards reducing the sponsor loan or equivalent form of equity referenced in Condition #8 above. The remaining sixty-six percent (66%) of proceeds up to seven hundred and seventy-six thousand dollars (\$776,000) shall be used to reduce the AHIF loan for Arlington View Terrace East.
10. The Applicant must comply with the affordable housing set-aside for the rental units in Arlington View Terrace East as follows: eight (8) of the units will be restricted to households earning up to thirty percent (30%) of the AMI; thirty-one (31) of the units will be restricted to households earning up to fifty percent (50%) of the AMI, and thirty-eight (38) units will be restricted to households earning up to sixty percent (60%) of the AMI for 75 years with the unit mix as shown in the table located in the "Affordable Housing Program" section of this document.
11. The Applicant agrees that the affordable rents shall be established in accordance with LIHTC rents as published annually by VHDA for the unit size, minus a utility allowance (if applicable) as per the Utility Allowance Schedule annually approved by HUD for the Arlington County, VA Housing Choice Voucher Program or other manner as permitted by applicable federal regulations and approved by the County or, if such LIHTC rents are not published by VHDA, then in accordance with HUD rent limits set for Arlington County.
12. The Applicant shall create a minimum of eight (8) fully accessible Type A units for persons with disabilities and will fully cooperate with an affirmative marketing program to market these units to households in need of such accommodation.
13. The Applicant will execute an agreement with the Department of Human Services to provide eight (8) supportive housing units with rents affordable to households earning up to 60% of the AMI. These may or may not be the same as the fully accessible units.

ATTACHMENT 3

RESOLUTION OF THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA DESIGNATING THE ARLINGTON VIEW TERRACE SITE A REVITALIZATION AREA PURSUANT TO VIRGINIA CODE § 36-55.30:2

WHEREAS, pursuant to Section 36-55.30:2 of the Code of Virginia of 1950, as amended, the County Board of Arlington County desire to designate the site of Arlington View Terrace, located at 1420, 1429, 1413, 1407, 1401, and 1327 South Rolfe Street, 1736 14th Road South, and 1735 15th Street South (the “Area”) described on Exhibit A hereto, as a Revitalization Area;

WHEREAS, the proposed redevelopment of Arlington View Terrace East is within the Columbia Pike Neighborhoods Area Plan which establishes goals to stabilize and strengthen single-family and multifamily neighborhoods and support established concepts of vibrant, economically-strong mixed-use commercial centers, and to improve existing housing stock and expand housing options to achieve a housing mix that serves diverse households, preserves affordability for current and future residents, and supports the adopted Housing Goals and Targets and the Columbia Pike Initiative;

WHEREAS, the affordable housing development proposed in this Area will provide a critical source of affordable housing for current and future low and moderate income residents whose tenancy and local employment is essential to implementing the goals of the County’s Affordable Housing Master Plan and to the Area’s future economic development and sustainability;

NOW, THEREFORE BE IT HEREBY DETERMINED as follows:

The above referenced development is located in a Revitalization Area in the County of Arlington, Virginia. The revitalization area is (i)(2) The industrial, commercial or other economic development of such area will benefit the city or county but such area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; and (ii) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

Exhibit A

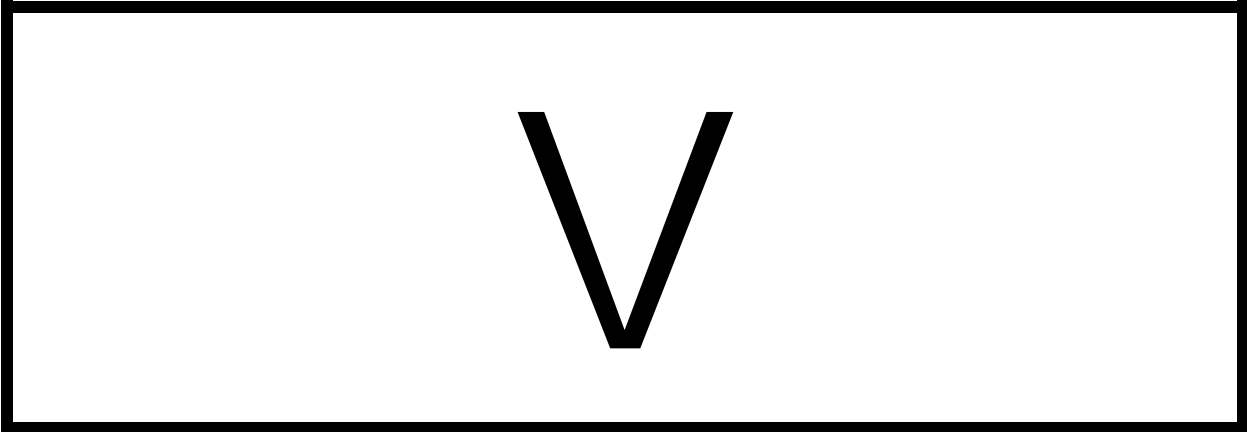
Arlington View Terrace Area



U

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

This deal does not require
information behind this tab.



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

**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 2, 2020, by and between AHC LP – 30 Arlington View, a Virginia limited partnership (the “**Partnership**”), and AHC Inc., a Virginia nonstock corporation (“**Grantee**”).

RECITALS

- A. AVT Housing Corporation, a Virginia corporation, as the general partner (“**General Partner**”), and Grantee as the limited partner (together with any successor or replacement limited partner(s) and together with any special limited partner or other special partner related to or controlled by the limited partner, “**Limited Partner**”), are entering into that Agreement of Limited Partnership dated on or about the date hereof (the “**Partnership Agreement**”) which governs the operations of the Partnership; and
- B. The Partnership 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 Arlington County, Virginia (the “**Project**”) on a parcel of land described on the attached Exhibit A; and
- C. The Partnership 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 designated 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 Partnership determines to sell, transfer, assign or ground lease all or substantially all of the Partnership’s interest in the Project (a “**Proposed Sale**”), or if the Partnership receives an offer to purchase the Project which offer the Partnership intends to accept (which acceptance will not require the approval of the Limited Partner) 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**”) (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. The General Partner shall have the right to market the Property for a period of one-year before the end of the Compliance Period. A Proposed Sale will be subject to the approval of the Limited Partner, 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 Refusal Purchase Price determined by the tax accountants for the Partnership shall be presumed valid. The

General Partner shall have the right to cause the Partnership to market the Project beginning one year prior to the expiration of the Compliance Period and no consent from the Limited Partner 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 Partnership will deliver to the General Partner, Limited Partner, 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 Limited Partner’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 Partnership 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 Partnership 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 Partnership’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 Partnership 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 Partnership 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 Partnership. The Partnership agrees upon request of Grantee to use its best efforts to obtain the Required Consent.

4. Grant of Option to Purchase. The Partnership 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. Any such valuation shall be discounted by 5% for brokerage and similar sales costs that would be payable in connection with a sale to a third party, less any such brokerage fees actually paid to the General Partner.
6. Exercise of Option. In the event that Grantee elects to exercise the Purchase Option, it will give the Partnership 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 Partnership. The Partnership 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 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 Partnership and the General Partner. 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 Partnership and the General Partner. Except as specifically permitted in this Agreement, Grantee's rights hereunder will not be assignable.
8. Contract and Closing. If necessary, the Partnership 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 Partnership.
 - 8.2. in any sale pursuant to this Agreement, the Project will be conveyed in “as is” condition, with all defects, and the Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership 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 Partnership 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 Limited Partner 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 Limited Partner 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 Limited Partner in the Partnership (the “*Partnership Interests*”). Grantee and the Limited Partner will exercise their best efforts in good faith to agree on the purchase price for the Partnership Interests. If the parties fail to agree, with respect to the Purchase Option, the fair market value of Partnership 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 limited partner 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. The acquisition of the Partnership Interests shall not be deemed a liquidation of the Partnership or based on a presumed sale of the Project. In no event shall the Grantee have any obligation to pay any of the Limited Partner’s exit taxes resulting from the exercise of the Option. Any determination of the Purchase Option Price due and payable to the Limited Partner for the Partnership Interests performed by the tax accountants for the Partnership that uses the value determined by a Qualified Appraiser shall be presumed valid.

10. Miscellaneous.

- 10.1. The Partnership 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. If any provision of this Agreement is construed as violating the Rule Against Perpetuities as statutorily enacted in the Commonwealth of Virginia, such provision will be deemed to remain in effect only until the death of the last survivor of the now living descendants of any member of the 116th Congress of the United States, plus twenty one (21) years thereafter. 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 Limited Partner, 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 partnership 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]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

WITNESS:



PARTNERSHIP:

AHC LP – 30 ARLINGTON VIEW
a Virginia limited partnership

By: AVT Housing Corporation,
a Virginia corporation,
its general partner

By: 
Name: Walter D. Webdale
Title: President

COMMONWEALTH OF VIRGINIA)

COUNTY OF Arlington)

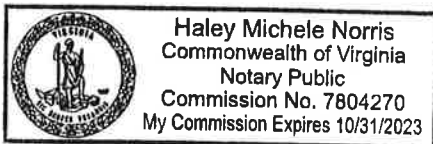
I, the undersigned, a Notary Public in and for said County in said Commonwealth, hereby certify that Walter D. Webdale, whose name as President of AVT Housing Corporation, the general partner of AHC LP – 30 Arlington View, a Virginia limited partnership, is signed to the foregoing instrument, and who 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 2 day of March 2020.



Notary Public


[NOTARIAL SEAL]



My Commission Expires: 10/31/23

GRANTEE:

AHC INC.,
a Virginia nonstock corporation


By: 
Name: Walter D. Webdale
Its: President

COMMONWEALTH OF VIRGINIA)

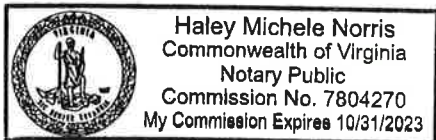
COUNTY OF Arlington)

I, the undersigned, a Notary Public in and for said County in said Commonwealth, hereby certify that Walter D. Webdale, whose name as President of AHC Inc., 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 2 day of March 2020.


Notary Public

[NOTARIAL SEAL]



My Commission Expires: 10/31/23

Exhibit A
**LEGAL DESCRIPTION
OF
PROJECT REAL ESTATE**

Description of Parcels G, H, and I, Section One, Arlington View, as recorded in Deed Book 1147 at Page 16 and Outlot B, being a portion of vacated 15th Street South, as recorded in Deed Book 1616 at Page 323 among the land records of Arlington County, Virginia and being more particularly described by metes and bounds as follows:

Beginning at a point in the south right-of-way line of 14th Road South, said point being the northwest corner of Lot 70A, Section One, Arlington View as recorded in Deed Book 1442 at Page 342; thence with Lot 70A, S 07°55'03" E, 100.00 feet to a point; thence N 82°04'57" E, 52.42 feet to a point, said point being a corner of Lot 2A; thence with the west line of Lot 2A, the same course continued with the west line of Lot 1, Richard's Addition To Arlington View, as recorded in Deed Book 1308 at Page 186, and Outlot C, being a vacated portion of 15th Street South as recorded in Deed Book 1616 at page 323, S 07°55'03" E, 110.41 feet to a point in the north line of Outlot D, being a vacated portion of 15th Street South as recorded in Deed Book 1616 at page 323; thence with the north line of Outlot D, S 82°02'17" W, 265.17 feet to a point, said point being the southeast terminus of South Rolfe Street; thence with the east right-of-way line of South Rolfe Street, N 12°39'03" W, 207.07 feet to a point at the intersection of the east right-of-way line of South Rolfe Street with the south right-of-way line of 14th Road South; thence with the south right-of-way line of 14th Road South, N 79°45'57" E, 54.85 feet to a point; thence 100.48 feet with the arc curve bearing to the right and having a radius of 2,485.00 feet (chord bearing of N 80°55'27" E and a distance of 100.47 feet a central angle of 02°19'00); thence N 82°04'51" E, 74.58 feet to the point of beginning and containing an area of 52,174 square feet or 1.1977 acres, more or less.

W

Internet Safety Plan and
Resident Information
Form

(if internet amenities selected)

Arlington View Terrace East Internet Security Plan and Usage Guidelines

Internet Security Plan:

Arlington View Terrace East will provide Wi-Fi service for all units. Each unit will be provided a secure connection. Arlington View Terrace East will enter into a contract with an internet provider to install Wi-Fi equipment (which may include routers, switches, and wireless access points), and will contract to provide ongoing support and maintenance to ensure the network functions properly. The routers will have a secure firewall to guard against data breaches.

Prior to move-in, all residents will be provided with the attached internet safety and security information guidelines. New residents will be required to sign an Acknowledgement of Responsibilities verifying that they have read and understand Arlington View Terrace internet safety and security guidelines. It is the resident's responsibility on making sure that their devices have ample security, including up-to-date virus and malware protection software.

Inappropriate use of the Arlington View Terrace East network will not be permitted. Unacceptable use of the internet by residents and their guests includes (but is not limited to) those actions listed in the Internet Usage Guidelines. Arlington View Terrace East has the discretion to determine unacceptable usage and remove network access to a resident not abiding by the internet guidelines. If a resident is unclear about appropriate internet usage, they should direct questions to the Community Manager.

Internet Usage Guidelines

1. Arlington View Terrace East ("Landlord") agrees to provide individual Wi-Fi internet service at a speed of no less than 10Mbps download and 3Mbps upload ("Internet Access") to each unit during the Lease Term subject to the terms and conditions of these Guidelines.
2. Resident understands that internet access points are the property of the Landlord. If Resident removes or damages an access point, Landlord may charge a fee.
3. Resident may not use the facilities and capabilities of the network to conduct or solicit the performance of any illegal or criminal activity.
4. Resident may not do anything which is contrary to the acceptable use policies of the internet provider.
5. Resident will not post or transmit any file which contains malicious software, which may include but is not limited to viruses, worms, "Trojan horses" or any other contaminating or destructive features.
6. Resident is solely responsible for keeping personal computer devices secure and free of viruses or other harmful programs that can directly or indirectly interfere with the operations of the network, and that of third parties connected to its networks. Resident is solely responsible for guarding against and repairing devices from any infection by malicious code or unauthorized use.

7. Resident may not send proactively, receive, upload, download, use or re-use any information or material which is offensive, abusive, indecent, defamatory, obscene or menacing, or in breach of confidence, copyright, privacy or any other rights while using the Arlington View Terrace East network.
8. Resident will not permit any guests or a third party to do any of the above.

DRAFT

Arlington View Terrace East

Resident Acknowledgement

By signing below, I acknowledge that I have read, understand, and agree to the terms of all provisions contained in Arlington View Terrace East's Security Plan and Internet Usage Guidelines.

I understand that the Security Plan and Internet Usage Guidelines outline and summarize the proper use and safety guidelines when using the Internet Services provided at Arlington View Terrace East.

Resident Name: _____

Resident Signature: _____

Apartment Number: _____

Date:

DRAFT



Internet Safety

Playing it safe while playing online



Hi there kids! I am Charlie Cardinal and this is Speedy the Crime Fighting Hamster. We are here to introduce you to the basics of Internet Safety and some of the villains you need to watch out for. There are some bad characters out there, so you have to protect yourself. Your parents won't always be there to watch out for you, so stay sharp, learn all you can, and stay safe!



Privacy & Personal Information



Privacy is being able to keep things secret or hidden from others.

Personal Information is information about you or your family such as your address, a social security number, your parent's bank account, or how much money they have.

Criminals love to get people's personal information because they can pretend to be you, or use your money to buy things.

They can also make money off of your information by selling it to others. Companies or other criminals will use your info to send you junk mail or spam emails.

Criminals learning your address can be very bad. They may break in and steal from you. Protect your safety and your belongings, by keeping your information a secret.

These bad people may even use your personal information to trick someone else in your circle of friends and family. People sometimes tell criminals things that they shouldn't if they think that they are communicating with someone they know.



Think before you click



Do you know who sent that email?



Passwords

One of the most important things you need to learn is how to create strong passwords. A password is a code you type in to let the computer know it is really you.

Having an easy to guess password could allow someone to snoop around in your private information.

The way to make your password strong is to never use your name or your birthday. Use something hard to guess, but easy for you to remember. Make your password at least 8 characters long, and mixing numbers, symbols, and upper and lower case letters makes the password strong just like Speedy. Avoid using the same password over and over. That way if they do figure out your password, they only gain access to one account. And never leave your passwords written down where someone can find it.



A great tool online that creates kid friendly passwords is the website, www.dinopass.com

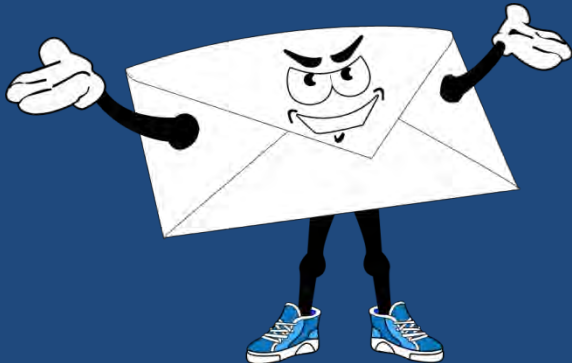
Spam



Spam is basically email that you receive from different companies or strangers that you did not sign up for. Most times it isn't from real companies and usually the sender is up to no good.

Spam emails can sometimes be a phishing scam. Phishing emails are emails that look like it is from some trusted source. A place like your bank, the IRS where taxes are collected, or some other business you shop with often. They make their email look like it is the real thing with logos, and they put links in the email baiting you to click them. Once you click the link, you could be launching a program that can damage your computer in some way or collect your personal information.

Spam emails can also use winning a sweepstakes or some other type prize to trick you into trusting the email source. After they hook you in, they inform you that to collect your prize, you must give them your credit card number.



How do you know it is spam?

Spam emails typically have a bunch of spelling and grammar errors or a mention of someone you don't know in the subject line. Don't Open It! Delete those emails right away.



Malware



Malware is a program written with the intent to harm your computer in some way.

Programs such as this, may be waiting for you to do something(a trigger), so that it can run. This could be the clicking of the link or opening an email attachment.

When searching for free downloads online, be very careful. There are a lot of sites out there trying to trick you. They will pay to make their site get returned at the top of the list of search results. Then when you access the page, they use blinking buttons to trick you to click. The result of clicking usually ends up being your computer loaded up with malware.

Once your machine is infected, it can change browser settings, create unusual popup ads on your computer and then pass the malware on to someone else.



Spyware is a program that gets onto your computer through a download or a virus and it gathers information about you and sends this back to its creator.

Some of the types of information spyware might send back to home base is email addresses of you or your contacts, passwords, account numbers, and credit card numbers.

Some spyware out there records how you use your computer and what you search for online.

Adware

Adware is software that you are allowed to use by the author because of the advertisements that pop up occasionally during the game. Many of these type games you will find in the form of apps on your phone or devices.

Through the addition of advertisements, the developer gains some income that may supplement a discount to the user, sometimes making the software free.

Often after using the product with the ads, a consumer will purchase the software to get rid of the ads.

<http://www.pctools.com/security-news/what-is-adware-and-spyware/>



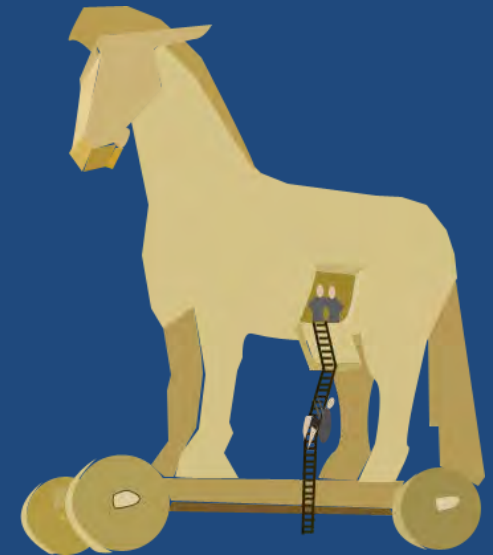
Trojan Horse

The name for the Trojan Horse virus was derived from tale of the Trojan Horse constructed by the Greeks to gain access to the city of Troy. The wooden horse was left at the gates as an offering to Athena. The horse was then wheeled into the city and out came Greek fighters hiding inside. <http://www.britannica.com/topic/Trojan-horse>

A Trojan horse virus is a form of malware that is dressed up as something interesting or software from a source we are familiar with. The purpose is to trick the person into installing it. This allows the creator of the Trojan to do damage to data or software on your computer. They also will set up a 'back door' or access point that allows them to access your system.

Trojan viruses don't spread by infecting other files and they cannot duplicate themselves.

<http://www.webopedia.com/DidYouKnow/Internet/virus.asp>



Worms

Worms are malware that can duplicate itself and spread to other computers. Worms always do something bad, even if it is just slowing things down.

Worms will frequently set up the ability for computers to be taken over by the worm's author by creating backdoors on the host computer. These computers are then called a "zombie computer". "Zombie computers" can be used to send out spam or as a shield to hide the web address of people who want to do bad things.

<http://www.webopedia.com/TERM/Z/zombie.html>





Virus

A virus is a small program that is created to spread from one computer to the next and to mess up the way your computer works.

Many times viruses hop from computer to computer via email attachments or messages. They can also hide in funny pictures(memes), e-cards, or other desirable file attachments. It can also be sent through an instant message.

A virus can corrupt your data, or worse, delete it. It can also email copies of itself to your friends.

Keeping your anti-virus software up to date is key to protecting against the latest viruses and other security threats.

<https://www.microsoft.com/security/pc-security/virus-whatis.aspx>

Social Media



Privacy settings on social media accounts are set up as public when you first get one. Unless you want everyone to be able to look at all of your photos and other private stuff, you must go into your account settings and change this.

Something to remember is whatever you post and say on your page can be shared by your friends. Think about what you post online, BEFORE you do it. What you post, could be seen by anyone at any time depending on your settings and the friends you keep. Because we can take pictures of our screens, there is really no setting that can protect you. Think twice about what you are sharing with others, so there are no regrets later.

Make sure you know the people that you accept friend requests from. Sometimes people try to friend you to hack your Facebook account or access your contacts. Once you are hacked they will send out strange messages or friend requests to your contacts. Protect your friends and yourself by being cautious with friends and creating strong passwords for your social media accounts.

Geotagging



Geotagging is the bit of data that your electronic device packages with your picture that has information about where the picture was taken. This is something that can be turned on and off in your device and typically comes turned on until you change the setting.

When your photo is geotagged, this gives people information about your location. Letting outsiders know where you are, can allow them to plan to steal your belongings or vandalize your home.

Consider if you post a photo every Wednesday in your outfit ready to walk to ball practice and geotagging is turned on. This shows you have a routine and gives a rough area you will be in. A predator could come and take you away.

Another issue with allowing the geotagging to occur is you don't have control of your own privacy. Everyone does not need to know where you are all of the time, keep this information private.

<http://www.nytimes.com/2010/08/13/technology/personaltech>



Be Careful of What You Say!



Defamation: Defamation is the blanket word used for all types of untrue statements made about others. [Definition of Defamation on Law.com](#)

Slander: When someone orally tells one or more people an untruth about someone, which will harm the reputation of the person it is about. It is not slander if the untruth is in writing of some sort or if it is broadcast through television or radio.

[Definition of Slander on Law.com](#)

Libel: This is where someone publishes to print(including pictures), written word, online posts, blogs, articles, or broadcast through radio, television, or film, an untruth about another which will do harm to the person's reputation. [Definition of Libel on Law.com](#)



Be Careful of What You Say!



Much of the things people post online may get ignored, and you may get lucky and avoid legal action. But, when someone gets angry and files a lawsuit it can cause a major headache and possibly hit you hard in the wallet.

You might think you should have a right to openly complain about a company and their bad service or lousy product. Well when it comes to this, it is not always that simple. You can get sued for this and even if the judge agrees with you, you still have to pay for a defense attorney. Think twice and make sure that whatever you have to say is worth any headache you may have pop up later.

<http://ideas.time.com/2013/01/07/yelp-reviewers-beware-you-can-get-sued/>

On social media, people get into the habit of letting their emotions get the better of them and they end up speaking their minds about others online. When that person feels that this damages their character, they may opt to sue the other person for defamation. Even if their case is not successful, the stress, money, and time that you spend defending yourself is not worth it. To read more about defamatory social media posts, [click here](#).

Stranger Danger Online



When you think of being on your computer or other electronic device in your own home, you probably think you are safe. Your mom is in the next room, what could happen?

Well there are people online that are up to no good. They go in chat rooms and pop up on your instant messenger, looking for someone to “groom”.

What is grooming you say? Well, grooming is when a stranger (can be any age) finds someone they are interested in, usually a minor. They act really nice and maybe they pretend they are much younger than they really are, like they are a kid just like you. Then they try to get you to like them and to trust them. They may ask you not to tell anyone you are talking to them. This is not okay and is a warning sign of a possible groomer.

How to Protect Yourself in Online Chats

- Choose chat sites designed for kids, such as www.kidzworld.com. Kidzworld is moderated and its aim is to protect kids from unwanted requests and online bullying.
- Beware of people you don't know. If they are asking too many questions or being too friendly they may be up to no good.
- If someone asks you to send them a picture or sends you a picture or video that is inappropriate, tell an adult or report them to the site moderators.
- Don't give out personal information to strangers online
- Don't tell strangers where you live or give them your telephone number
- Don't send strangers pictures of you or others
- If you are being bullied or threatened online, tell an adult or someone you trust





Cyberbullying

- Cyberbullying is the **willful and repeated harm** inflicted through the use of computers, cell phones, and other electronic devices.
- Using PhotoShop or other tools to create harassing images.
- Posting jokes about another person on the internet
- Using the internet to entice a group to physically harm another person.
- Making threats online using IM, email, social networking sites, or other electronic devices.



Consequences of Cyberbullying

Anything that you write, pictures that you post, or videos that you upload can be used by your school to suspend you.

College students have been removed from their athletic teams and lost college funding for writing negative comments about their coach.

When applying to colleges, they will search online to see what kind of person you are. They can deny you access if they don't like what they find.

When businesses are looking at people to hire for a job they will many times use social media to see what kind of person they are. Mean or inappropriate type posts can prevent you from getting the job you desire.

Cyberbullying can also be considered a crime and participating in this type of behavior can land you in big trouble.

Consequences of Cyberbullying

- § 18.2-152.7:1. Harassment by Computer; Penalty makes cyberbullying a crime.
- Carries a \$2500 fine and punishable by up to **12 months in prison.**

There are many websites designed to inform and decrease the number of bullying cases we see each year. The U.S. Department of Health and Human Services has created a website with lots of resources to help combat bullying of all kinds - www.stopbullying.gov

If you experience cyberbullying or witness it, tell someone such as a school counselor, teacher, or a parent.





The Effects of Cyberbullying

- Victims feel depressed, sad, angry, and frustrated.
- Victims become afraid and/or embarrassed to attend school.
- Can lead to low self-worth, family problems, academic problems, school violence, and bad behavior.
- Victims can also develop thoughts of killing themselves and possibly act on these feelings.
- There are no positive effects of cyberbullying, only pain and suffering for the victims.
- The affects of being bullied can affect the victim into adulthood and prevent them from being all they can be in the future.



Dealing with Cyberbullying

- Never do the same thing back, 2 wrongs don't make a right
- Tell them to stop
- Block their access to you
- Report it to the site you are on such as Facebook or Twitter
- NEVER pass along messages from cyberbullies, stop the spread of this behavior
- Set up privacy controls and keep the bully out of your friends list
- Don't be a cyberbully yourself
- If you witness someone getting bullied, tell someone so it can be stopped. Many times the person being bullied won't tell out of fear.
- Spread the word that bullying is not cool
- Don't laugh or encourage the bully, it is not funny and it can lead to major trouble for the person doing the bullying.



About Sexting



“Sexting” is when someone sends or receives sexually explicit or non-PG Rated pictures or video electronically, mainly via cell phones or tablets.

The numbers on how many teens say that they have sent/posted nude or semi-nude pictures or videos of themselves is upsetting.

20% of teens between 13 to 19 years of age have engaged in sexting.

22% of teen girls

18% of teen boys

11% of teen girls between 13 to 16 years of age have engaged in sexting.

Did you know that if you forward a picture of a sexual or nude photo of someone underage, you are as responsible for the image as the original sender?? You can be charged with a crime.

Many teens don't realize that if you send a picture of yourself that is inappropriate and that picture ends up online, it could be there forever. You can never fully delete things that end up on the web.



About Sexting



There is no age minimum that protects young people from getting charged with a sexual offense.

Something that you think is okay or just a joke, might land you in a ton of trouble. For example, you might take a picture of your friend naked to embarrass them, but if they are under the age of 18, this is considered production of child pornography.

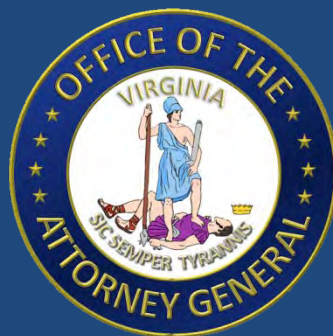
If you are sent something inappropriate, do not share it and don't delete it. Tell an adult immediately. You may feel like you are getting your friend into trouble, but you are protecting yourself and you are protecting them. They may not be thinking about the consequences or the effect this behavior can have on their future.

Anyone that gets convicted of a sex offense, will have to register as a sex offender. Sex offenders have to keep their address updated and keep a current photo with the police. The information goes on the sex offender registry where anyone can go and see your picture and where you live online.

REMEMBER: You can't control what other people do with your photos. Even if you think you are sending it to someone you can trust, they may end up surprising you. You can't trust anyone with something as private as that. Don't Do It!

Legal Consequences of Sexting

- The Virginia Department of Education has an excellent resource with real life examples of the consequences of sexting that can be found [here](#).
- The Attorney General's Virginia Rules website is designed to give Virginia Youth information on all the laws in the state. [Virginia Rules](#) has extensive information on sexting and other internet security risks.
- This article in The Virginian-Pilot tells a story of five Virginia teens getting charged with felonies for sexting and being in possession of sexually explicit photos of a minor, read more about it [here](#).

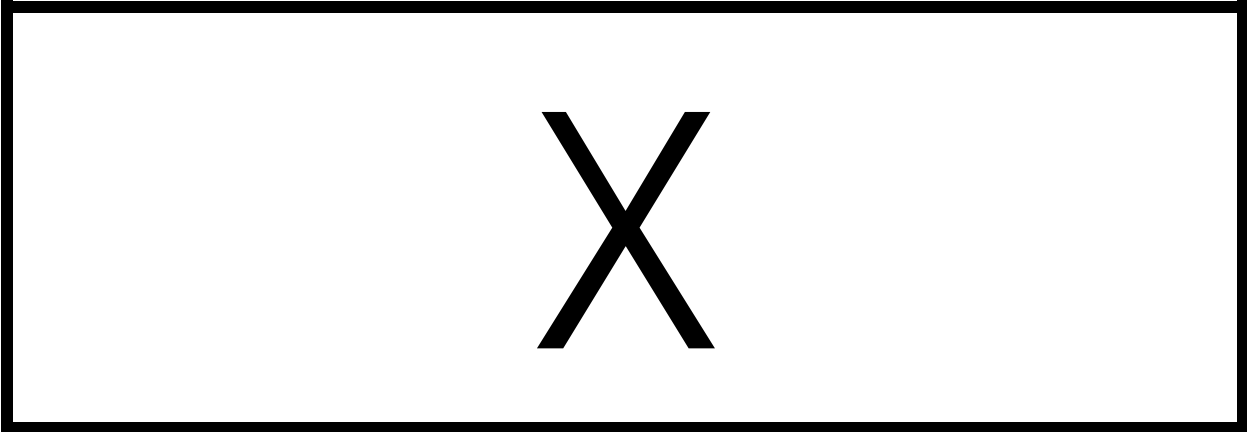


Information Provided By:
Office of the Attorney
General

202 North Ninth Street
Richmond, Virginia 23219

(804) 786-2071

www.ag.virginia.gov



X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

Arlington View Terrace East Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act

This Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act (the “Marketing Plan”) has been designed to convey to current and potential residents with disabilities that Arlington View Terrace East will be a new rental housing experience, with a commitment to excellent management and resident service, as well as an expectation of resident responsibility. Therefore, the majority of this plan will address ways in which property management will endeavor to secure qualified tenants, ensure quality tenancy, and effective management and maintenance of the property.

AHCM Management, LLC (“AHCM”) will be the Management Agent for Arlington View Terrace East. AHCM will be responsible for all the traditional management functions, including rent collection, maintenance, record keeping, reports, development of budgets, and monitoring resident income qualifications. Additionally, AHCM will be responsible for the development and management of community and residents services programs. There will be a property manager on-site at Arlington View Terrace East. The files will also be kept on-site at Arlington View Terrace East.

I. Affirmative Marketing

AHCM is pledged to the letter and the spirit of the U.S. policy of the achievement of equal housing opportunity throughout the Nation and will actively promote fair housing in the development and marketing of this project. AHCM, its Officers, Directors and employees will not discriminate on the basis of race, creed, color, sex, religion, familial status, elderliness, disability or sexual orientation in its programs or housing. They will also comply with all provisions of the Fair Housing Act (42 U.S.C. 3600, et. Seq.).

Any employee who has discriminated in the acceptance of a resident will be subject to immediate dismissal. All persons who contact the office will be treated impartially and equally with the only qualification necessary for application acceptance being income and credit, and conformity with the requirements of the Section 8 Program and Tax Credit programs. All interested parties will be provided a copy of the apartment brochure/flyer. Any resident who has questions not answered by the site staff will be referred to the Regional Property Manager assigned by AHCM or the Senior Vice President of AHCM.

1. Section 504 Units

Section 504 units must be held vacant for 60 days, during which time marketing efforts must be documented. However, if marketing to the Target Population is deemed to be conducted satisfactorily on an ongoing basis throughout the year and AHCM can provide sufficient documentation to VHDA’s Compliance Officer, AHCM may request the ability to lease 60-point Units to a household not in the Target Population without the unit remaining vacant for the 60-day timeframe. “Ongoing basis” means contact to at least two (2) resources at least monthly in the manner noted below at any time the required number of units is not actually occupied by the Target Population.

Each time a vacancy occurs in a 60-point Unit, if a qualified household, including a person in the Target Population, is not located in the 60-day timeframe, the owner or manager may submit the evidence of marketing to VHDA’s Compliance Officer and request approval to rent the unit to an income-qualified household not a part of the Target Population. If the request is approved, the lease must contain a provision that the household must move to a vacant unit of comparable size in the development if a household in the Target Population applies for the unit. The move will be paid for by the owner.

If no vacant unit of comparable size is available at that time, the Target Population prospective tenant should be placed on the development’s waiting list and placed in the 60-point Unit, when the first

available vacant comparably sized unit becomes available to move the non-Targeted Population tenant.

NOTE: The move of the temporary/non-disabled tenant will be paid for by the owner.

2. Leasing Preference for Target Population Identified in MOU between the Authority and the Commonwealth:

- Unless prohibited by and applicable federal subsidy program, a “first preference” will be given for a person in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth.
- AHCM will obtain tenant referrals from the Virginia Department of Medical Assistance Services (DMAS) or Virginia Department of Behavioral Health and Developmental Services (DBHDS) or any other agency approved by the Authority.
- AHCM will Retain Tenant verification letter, Acknowledgment and Settlement Agreement Target Population Status
- Target Population units will be confirmed by VHDA.

II. Marketing and Outreach

Arlington View Terrace East will have a first preference for target populations as established by the Virginia Department of Medical Assistance Services or Virginia Department of Behavioral Health and Developmental Services. Identifying persons with disabilities to occupy the units which conform to the requirements of Section 504 of the Rehabilitation Act will be accomplished as follows:

1. Networking

AHCM will contact local centers for independent living, disability services boards and other service organizations via phone and printed communication regarding lease-up and vacancies. AHCM has an existing relationship with Arlington County’s Permanent Supportive Housing Program (703-228-1350), which is within the Arlington County Continuum of Care in the Department of Human Services. They will be a primary source for potential residents of accessible units and provide substantial case management and supportive services to program participants. Additional contacts will include the following organizations:

- Arlington Mental Health Programs and Services – (703-228-5150)
- • The Clarendon House (703-228-5236)
- • Bridges to Independence (fka Arlington-Alexandria Coalition for the Homeless) (703-525-7177)
- • Virginia Board for People with Disabilities (804-786-0016)
- • Virginia Vocational and Rehabilitation Agency (804-662-7000)
- • Virginia Rehabilitation Association (804-662-7075)

• **Internet Search**

Arlington View Terrace East will also be listed on the following websites:

- www.virginiahousingsearch.com
- www.hud.gov
- www.craigslist.org
- accessva.org
- dbhds.virginia.gov

- **Print Media**

Print media sources will also be identified in the Arlington area that cater to people with disabilities as well as the public at large. These sources may include, but are not limited to, rental magazines such as the *Apartment Shoppers Guide*, *Apartments For Rent*, local newspapers, etc. All advertising materials related to the project will contain the Equal Housing Opportunity logo, slogan or statement, in compliance with the Fair Housing Act, as well as the fact that units for people with disabilities are available.

- **Resident Referrals**

An effective Resident Referral program will be set up, in which current residents are rewarded for referring friends, coworkers, and others who may have disabilities to the property. These referrals are generally the best form of advertising as it attracts friends who will want to reside together, thus binding the community. ***Residents will be offered incentives, to be determined, for referring qualified applicants who rent at the property.*** Flyers will be distributed to residents along with the resident newsletter announcing the tenant referral program.

- **Marketing Materials**

Additional marketing materials are needed in order to further support the specific marketing effort to people with disabilities. All printed marketing materials will include the EHO logo. The marketing will also emphasize the physical and administrative compliance with Americans with Disabilities Act.

These marketing materials include:

- **Brochures or news media coverage** –A simple, two color brochure may be produced at low cost which will effectively sell the apartments and community. A brochure will include a listing of features and amenities. News media may include the local newspaper and/or the local television station coverage.
- **Flyers** - A flyer campaign can be used effectively to market the community. Each flyer should incorporate graphics as well as a small amount of copy and should be designed to generate traffic.

III. Public and Community Relations

Equal Housing Opportunity promotions - all Site Signage containing the EHO logo and Fair Housing posters are displayed in English and Spanish in the Rental Office. AHCM encourages and supports an affirmative marketing program in which there are no barriers to obtaining housing because of race, color, religion, national origin, sex, elderliness, marital status, personal appearance, sexual orientation, familial status, physical or mental disability, political affiliation, source of income, or place of residence or business.

Additionally, a public relations program will be instituted to create a strong relationship between management and local disability organizations, neighborhood civic organizations, city officials, and other sources of potential qualified residents still to be identified.

IV. Tenant Selection and Orientation

The first contact with the management operations is an important one in attracting qualified residents; therefore, Arlington View Terrace East's management/leasing offices should convey a sense of professionalism, efficiency, and cleanliness. The management/leasing office is designed to provide a professional leasing atmosphere, with space set aside specifically for applicant interviews and application assistance. The leasing interviews will be used to emphasize the respect afforded to the applicant and the responsibilities which the applicant will be expected to assume.

Times of Operation - the Management Office will be open Monday through Friday from 9:00 A.M. to 5:00 P.M. After-hours inquiries will be received by the answering services, which will take messages and forward them to the Management Office to handle on the next business day. Move-in process and orientation to property - applicants meet with designated staff to discuss programs available on the property and will be supplied relevant information to assist them in their move.

Application processing will be completed by the AHCM corporate office. New tenant processing will include a review of employment history, prior landlord references, credit reporting, and any tenant filings. The on-site staff will review applications for inaccuracies. To the extent possible, costs associated with credit checks will be borne by the tenant. Tenant Selection will include minimum income limits assigned by the Owner. New residents will be given an orientation to the property including a review of the rules and regulations, information on the area, proper use of appliances, move-out procedures, maintenance procedures, rent payment procedures, energy conservation, grievance procedures and a review of the Lease documents.

1. Tenant Selection Criteria

Tenant Selection will include maximum income limits under the Low-Income Tax Credit and Section 8 programs. Selection criteria will also include student status guidelines pursuant to the Low-Income Housing Tax Credit program.

Management will commit that no annual minimum income requirement that exceeds the greater of \$3,600 or 2.5 times the portion of rent to be paid by tenants receiving rental assistance

2. Application Processing

Application processing will be done at the AHC corporate office by the leasing staff who are well versed in Fair Credit Law. As stated before, the processing will include a review of housekeeping/home visit, prior landlord references, personal references, criminal/sex offender and credit reporting and income verification. AHCM will make further review for inaccuracies in the application. The annual income and family composition are the key factors for determining eligibility. However, AHCM will also use the following criteria in selecting applicants for occupancy:

- Applicants must be individuals, not agencies or groups.
- Applicants must meet the current eligibility income limits for tax credits and any other program requirements.
- AHCM will process the Rental Applications through a credit bureau to determine the credit worthiness of each applicant. If the score is below the threshold, and it has been determined that applicant has no bad credit *and* no negative rental history *and* no criminal history then the application can be conditionally approved after contacting the prior landlord. In these cases, the application must be reviewed by ownership before final approval.

Note- If the applicant's denial is based upon a credit report, the applicant will be advised of the source of the credit report in accordance with the Federal Fair Reporting Act. Guidelines published by the Federal Trade Commission suggest that apartment managers fall under the provisions of the Act and are obligated to advise the person refused an apartment for credit reasons, the name and address of the credit reporting firm in writing. The credit report will not be shown to the applicant, nor will specific information be revealed.

- AHCM will process the Rental Application through a credit bureau to determine any possible criminal conduct. Convictions will be considered, regardless of whether "adjudication" was

withheld. A criminal background check will be used as part of the qualifying criteria. An applicant will automatically be denied if;

- There is a conviction for the manufacture, sale, distribution, or possession with the intent to manufacture, sell or distribute a controlled substance within the past five years.
 - There is evidence in the criminal history that reveals that the applicant has developed a pattern of criminal behavior, and such behavior presents a real or potential threat to residents and/or property.
 - The application will be suspended if an applicant or member of the applicant's family has been arrested for a crime but has not yet been tried. The application will be reconsidered, within the above guidelines, after such legal proceedings have been concluded at applicants' request.
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- Applicants must provide complete and accurate verification of all income of all family members. The household's annual income may not exceed the applicable limit and the household must meet the subsidy or assisted Income Limits as established for the area in which Arlington View Terrace East is located. The annual income is compared to the area's Income Limits to determine eligibility.
 - Family composition must be compatible for units available on the property.
 - Applicants must receive satisfactory referrals from all previous Landlords.
 - Applicants must provide verification of full-time student status for all individuals listed on the application as full-time student for tax credit units.
 - Applicants must not receive a poor credit rating from the Credit Bureau and other credit reporting agencies and must demonstrate an ability to pay rent on time.
 - Applicants must provide a doctor's statement and/or other proof of any handicap or disability.
 - Applicants must provide all information required by current Federal regulations and policies.
 - Applicants must have the demonstrated ability to maintain acceptable housekeeping standards.
 - Applicants must meet current Federal program eligibility requirements for tax credits and any other programs.
 - Preference will be given to those households whose family members are handicapped or disabled for housing in the units specifically designated for the handicapped or disabled.
 - Applicants who meet the above criteria will be placed on a waiting list based on the date and time of their application. If an applicant turns down a unit for any reason, the applicant will be moved to the bottom of the waiting list. If the applicant turns down a unit for any reason a second time, the applicant will be removed from the waiting list.

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