

INTRODUCED: December 14, 2020

AN ORDINANCE No. 2020-257

As Amended

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute appropriate documents releasing the Richmond Redevelopment and Housing Authority and its successors in interest from the reversionary right of the City contained in a certain special warranty deed concerning the property known as 30 West Jackson Street for the purpose of allowing the Richmond Redevelopment and Housing Authority to sell the property for the development of ~~[a rental housing project for low income residents]~~ affordable housing.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JAN 11 2021 AT 6 P.M.

WHEREAS, pursuant to Ordinance No. 2000-373-338, adopted November 27, 2000, the Chief Administrative Officer, for an on behalf of the City, executed a Special Warranty Deed, dated March 27, 2001, and recorded in the land records of the Circuit Court of the City of Richmond on May 29, 2001, as Instrument No. 010013363, by which the City conveyed to the Richmond Redevelopment and Housing Authority the property previously known as 28 West Jackson Street, and now known as 30 West Jackson Street, with Tax Parcel No. N000-0124/032; and

AYES: 7 NOES: 2 ABSTAIN: _____

ADOPTED: MAR 22 2021 REJECTED: _____ STRICKEN: _____

WHEREAS, the City desires to allow the Richmond Redevelopment and Housing Authority to sell the property previously known as 28 West Jackson Street, and now known as 30 West Jackson Street, with Tax Parcel No. N000-0124/032, for the development of [~~rental housing for low-income residents~~] affordable housing rather than as a single-family dwelling and believes that releasing the Richmond Redevelopment and Housing Authority from the reversionary right of the City contained in the aforementioned Special Warranty Deed would expand the range of redevelopment options for the property previously known as 28 West Jackson Street, and now known as 30 West Jackson Street, with Tax Parcel No. N000-0124/032; and

WHEREAS, the City desires to release the Richmond Redevelopment and Housing Authority and require the developer, Jackson Commons Partnership, LLC, to convey this property to the Better Housing Coalition, or its affiliate, to develop [~~rental housing for low-income residents~~] affordable housing; and

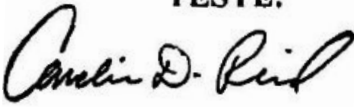
WHEREAS, the City further believes that the City's release of the Richmond Redevelopment and Housing Authority and its successors in interest from the reversionary right of the City contained in the aforementioned Special Warranty Deed and from certain related requirements, limitations, and conditions would facilitate this expansion of redevelopment options;

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to release the Richmond Redevelopment and Housing Authority and its successors in interest from the reversionary right of the City contained in the Special Warranty Deed, dated March 27, 2001, and recorded in the land records of the Circuit Court of

the City of Richmond on May 29, 2001, as Instrument No. 010013363, by which the City conveyed to the Richmond Redevelopment and Housing Authority the property known as 28 West Jackson Street, with Tax Parcel No. N000-0124/031, pursuant to an appropriate document approved as to form by the City Attorney for the purpose of allowing the Richmond Redevelopment and Housing Authority to develop the property previously known as 28 West Jackson Street, and now known as 30 West Jackson Street, with Tax Parcel No. N000-0124/032, for the development of [~~rental housing for low-income residents~~] affordable housing.

§ 2. This ordinance shall be in force and effect upon adoption.

A TRUE COPY:
TESTE:

City Clerk

RECEIVED

By Barbara Fore at 3:06 pm, Nov 20, 2020

RECEIVED

By CAO Office at 1:17 pm, Oct 12, 2020

2020-149

RECEIVED

By Barbara Fore at 1:54 pm, Dec 04, 2020



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

O&R REQUEST

DATE: October 5, 2020

EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: Lenora G. Reid, Acting Chief Administrative Officer

THROUGH: Sharon L. Ebert, Deputy Chief Administrative Officer, Economic Development and Planning

FROM: Michelle B. Peters, Deputy Director
Department of Housing and Community Development

RE: To authorize the Chief Administrative Officer to execute appropriate documents releasing the Richmond Redevelopment and Housing Authority from the development restrictions to allow the development of rental housing for low income residents at 30 West Jackson Street, formerly known as 28 West Jackson Street.

ORD. OR RES. No. _____

PURPOSE: To authorize the CAO, on behalf of the City of Richmond, to execute appropriate documents releasing the Richmond Redevelopment and Housing Authority (RRHA) from the development restrictions contained in that certain Special Warranty Deed from the City to RRHA dated March 27, 2001, and recorded in the Clerk's Office of the City of Richmond as Instrument No. 01-013363 for the purpose of allowing development of a rental housing project for low income residents on the property formerly known as 28 West Jackson Street.

REASON: The City of Richmond recorded a Special Warranty Deed on March 27, 2001, Instrument No. 01-013363, which granted and conveyed a certain parcel of land located at 28 West Jackson Street, now known as a part of 30 West Jackson Street by way of Ordinance 2000-313-338 on November 27, 2000. The conveyance in the Special Warranty Deed was subject to terms of a certain Development Agreement between the City and RRHA and made a part of the same deed, known as Schedule C. Under this agreement, RRHA was obligated to complete redevelopment and rehabilitation of, or construction of improvements to, the property. RRHA subsequently sold the Property to a Developer. The Developer (Jackson Commons Partnership,

LLC) has entered into a Purchase and Sale Agreement with Better Housing Coalition (BHC), who directly or through an affiliate, intends to acquire the Property, and to develop rental housing for low income residents.

The City and RRHA desire to release the lien under the Agreement and to terminate the covenants currently attached to the Property.

RECOMMENDATION: Approval is recommended by the City Administration.

BACKGROUND: The City of Richmond sold the parcel of land located at 28 West Jackson Street to RRHA for the express purpose of developing a single family dwelling or to rehab the existing house on the property. A Development Agreement was attached to the deed and required the Housing Authority to accomplish this task within two years. RRHA subsequently conveyed the property to a developer (Jackson Commons Partnership, LLC). In the meantime, the zoning has changed on the property, and the developer is under contract to sell this property to Better Housing Coalition (BHC). BHC, or its affiliate, intends to develop rental housing for low income residents.

FISCAL IMPACT/COST: No Impact

FISCAL IMPLICATIONS: NA

BUDGET AMENDMENT NECESSARY: NO

REVENUE TO CITY: NA

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: November 9, 2020

CITY COUNCIL PUBLIC HEARING DATE: December 14, 2020

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: Land Use, Housing and Transportation Standing Committee

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: NA

AFFECTED AGENCIES: Housing & Community Development

RELATIONSHIP TO EXISTING ORD. OR RES.: Ordinance 2000-373-338

REQUIRED CHANGES TO WORK PROGRAM(S): NA

O&R Request

Page 3 of 3

ATTACHMENTS: Special Warranty Deed (Instrument 01-013363), RRHA Deed of Release, RRHA Resolution to amend the Disposition and Development Agreement with Jackson Commons Partnership, LLC

STAFF: Michelle B. Peters, Deputy Director II – 646-3975

INTRODUCED NOV 13 2000

AN ORDINANCE **No. 2000-373-338**
ADOPTED NOV 27 2000

Authorizing the City Manager or his designee to acquire, at a judicial sale, the property located at 28 West Jackson Street and to authorize the conveyance of such property to the Richmond Redevelopment and Housing Authority for the purpose of eliminating blight and making such property available for redevelopment in the Jackson Ward community.

Patron - City Manager

Approved as to form and legality
by the City Attorney

PUBLIC HEARING NOV 27 2000 AT 6 P.M.

WHEREAS, pursuant to Sections 58.1-3970 and 58.1-3970.1 of the Code of Virginia (1950), as amended, the City of Richmond is authorized to acquire tax delinquent properties sold pursuant to Virginia Code Sections 58.13965 *et seq.* or pursuant to any other provision of law for the enforcement of tax liens; and

WHEREAS, the property located at 28 West Jackson Street, as shown on a plan prepared by the Department of Public Works designated as DPW Dwg. No. N000-0124-031, and attached to this ordinance is eligible to be sold at a judicial sale for delinquent taxes; and

WHEREAS, the City of Richmond desires to acquire the aforesaid property for the purpose of eliminating blight and making such property available for redevelopment in the Jackson Ward community.

NOW THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

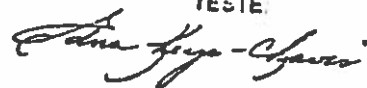
§ 1. That pursuant to Sections 58.1-3970 and 58.1-3970.1 of the Code of Virginia (1950), as amended, the City Manager or his designee is hereby authorized to acquire, at a judicial sale, the property located at 28 West Jackson Street, as shown on a plan prepared by the Department of Public Works designated as DPW Dwg. No. N000-0124-031, and attached to this ordinance for the purpose of eliminating blight and making such property available for redevelopment in the Jackson Ward community.

§ 2. Upon acquiring the aforesaid property, the City Manager is further authorized to convey such property to the Richmond Redevelopment and Housing Authority for the purpose of eliminating blight and making such property available for redevelopment in the Jackson Ward community.

§ 3. This ordinance shall be in force and effect upon adoption.

A TRUE COPY

TESTE.



CITY CLERK



CITY OF RICHMOND

DATE: OCTOBER 20, 2000
TO: THE HONORABLE MEMBERS OF CITY COUNCIL
THRU: DR. CALVIN JAMISON, CITY MANAGER
FROM: L. CHESTER BRAZZELL, *L. Brazzell* DIRECTOR OF GENERAL SERVICES
RE: TO DECLARE A PUBLIC NECESSITY EXIST AND AUTHORIZE THE TRANSFER OF PROPERTY LOCATED AT 28 WEST JACKSON STREET THROUGH TAX DELINQUENT PROPERTY SALE PROCESS - TAX ID N000-0124/031.

ORD. OR RES. NO. _____

PURPOSE: To declare a public necessity exist and to authorize the City Manager to petition for title to property through a Special Commissioner's Deed the property as shown enclosed with bold lines as N000-0124-031.

REASON: This land is a tax delinquent parcel that is adjacent to a current redevelopment being undertaken by Richmond Redevelopment and Housing Authority (RRHA) in the Jackson Ward Community.

RECOMMENDATION: Approval is recommended by City Administration, Department of Community Development, and Real Estate Services.

BACKGROUND: The property originally was originally built in 1900 as a small single family home. The property was open and vacant for several years following a fire in 1993. The property was cited for violations of building code each year from 1993 until 2000. Currently the building is under a Notice of Violation for being open and vacant.

The current owner, Viola Charles, received the property in 1966 and has not paid the property taxes, which now date back to 1987. Pursuant to Code of Virginia Section 58.1-3965, the City began the process of tax sale in 1999. The property is located in an area Richmond Redevelopment and Housing Authority is redeveloping. RRHA owns the properties at 34-36 West Jackson Street.

COST TO THE CITY: None

REVENUE TO THE CITY: None

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: November 13, 2000

COUNCIL PUBLIC HEARING: November 27, 2000

CONSIDERATION BY OTHER GOVERNMENT ENTITIES: Planning Commission

AFFECTED AGENCIES: Office of City Manager, Community Development, Law Department, Assessor's Office, and Real Estate.

RELATIONSHIP TO EXISTING ORD. OR RES.: None

REQUIRED CHANGES TO WORK PROGRAM (S): None

ATTACHMENTS: DPW Drawing No. N000-0124-031

STAFF: Real Estate Services: Constance Schwartz, 646-7493
Michael Dodson, 646-3727

NOTE: Parcel conveyed is now part of No. 30 W. Jackson Street

0507 MAY 29 2001

Prepared By:
Richmond Office of the City Attorney
900 East Broad Street, Room 300
Richmond, Virginia 23219
Tax Parcel #: N000-0124/031

01 013363

SEE ATTACHED
RESTRICTIONS

SPECIAL WARRANTY DEED

THIS DEED is made this 27th day of March, 2001 between the CITY OF RICHMOND, VIRGINIA, a municipal corporation of the Commonwealth of Virginia ("Grantor") RICHMOND REDEVELOPMENT and HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia ("Grantee").

RECITAL

This conveyance is exempt from Virginia's recordation taxes pursuant to Section 58.1-811 (A)(3) and (C)(3) of the Code of Virginia (1950), as amended.

WITNESSETH:

WHEREAS, by recordation of the Deed, Grantee represents that the conveyance of the Property upon terms and conditions specified is acceptable to the Grantee; and

NOW, THEREFORE, for consideration of the sum of ONE (\$1.00) DOLLAR, cash in hand paid, the receipt of which is hereby acknowledged, and in consideration of the Grantee's intended use of the Property, the Grantor does hereby grant, bargain, sell and convey, with SPECIAL WARRANTY OF TITLE, unto the Grantee, the Property located in the City of Richmond, Virginia as described in Schedule "A" and as shown in DPW Drawing No. N000-0124/031, Schedule "B", attached hereto and made a part hereof.

SEE SCHEDULES "A" and "B"

The Property is conveyed subject to any easements, conditions, restrictions and agreements of record that lawfully apply to the Property or any part hereof.

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The Property is conveyed subject to the terms of a certain Development Agreement between the Grantor and the Grantee dated March 27th, 2001, a copy of which is attached hereto as Schedule "C", the terms of which are incorporated herein

IN WITNESS WHEREOF, the Grantor has caused this Deed to be executed on its behalf by its duly authorized representative.

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

By: Calvin D. Jamison
Dr. Calvin D. Jamison, City Manager

COMMONWEALTH OF VIRGINIA
CITY OF RICHMOND, to-wit:

The foregoing Deed was acknowledged before me on the 27th day of MARCH, 2001, by Dr. Calvin D. Jamison, City Manager of the City of Richmond on behalf of the Grantor, as authorized by Ordinance No. 2000-373-338 adopted November 27, 2000.

Blenda Lopez
Notary Public

My Commission expires: 09/30/03

Prepared and approved as to form:

Camille D. Sabbakhan
Camille D. Sabbakhan
Assistant City Attorney

GRANTEE'S ADDRESS:
Richmond Redevelopment and Housing Authority
901 Chamberlayne Parkway
Richmond, Virginia

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SCHEDULE "A"

ALL that certain lot, piece or parcel of land, lying and being in the City of Richmond, Virginia, and described as follows:

BEGINNING on the northern line of Jackson Street 92' east of Price Street and running thence westwardly along and fronting 14'6", more or less, on the northern line of Jackson Street to a point opposite the partition wall separating the frame tenement on the lot herein described from the one adjoining on the west; thence running back from said front northwardly between parallel lines and along the center of said partition towards Duval Street to a point distant one half the distance from said Jackson Street to Duval Street.

ALSO the use in common with the owners of the lot adjoining the lot herein described on the west of an alley 3' wide beginning on the western side of the lot herein described and at or about the rear of the said lot; thence westwardly 14'6", more or less; thence southwardly to Jackson Street, with 3' alley being the western 3' of lot 2 on a plat recorded in Deed Book 48, page 391, in the Clerks' Office, Circuit Court, City of Richmond, Virginia.

BEING the same property conveyed to the City of Richmond, Virginia, a municipal corporation of the Commonwealth of Virginia, by deed from Ronald Reynolds Wesley, Special Commissioner, and Viola Charles dated February 1, 2001 and recorded February 26, 2001, in the Clerk's Office, Circuit Court, City of Richmond, Virginia, in Instrument No. 01-4518.

SCHEDULE "C"

**DEVELOPMENT AGREEMENT
NEIGHBORHOODS IN BLOOM TAX SALE PROGRAM**

THIS AGREEMENT, made this 27th day of March, 2001, by and between the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (hereinafter "CITY") and **RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia, (hereinafter "Purchaser").

WITNESSETH:

WHEREAS, the Richmond City Council has endorsed the Neighborhoods in Bloom Strategy as Resolution No. 98-R182-99-1, adopted January 11, 1999;

WHEREAS, the Richmond City Council has authorized the City Manager to convey the herein described property, also known as **28 W. Jackson Street**, Richmond, Virginia, (hereinafter the "Property") to Richmond Redevelopment and Housing Authority, by way of Ordinance No. 2000-373-338, adopted November 27, 2000; and

WHEREAS, the CITY agrees to sell and Purchaser agrees purchase, the Property more particularly described in Schedule A attached hereto, on the condition that Purchaser complete redevelopment and rehabilitation of, or construction of improvements to, the property in accordance with the provisions of this Agreement:

NOW, THEREFORE, THIS AGREEMENT FURTHER WITNESSETH:

**ARTICLE I
CONVEYANCE OF PROPERTY**

Section 1.01. Conveyance of 28 W. Jackson Street. Subject to all of the terms, covenants and conditions of this Agreement, the CITY will convey, at the cost of \$1.00 to Purchaser, the property described in Schedule A and attached hereto.

Section 1.02. Acceptance of Improvements on the Current Property "As Is" - Condition of Property on Delivery. Purchaser has made a full inspection of the property and agrees to accept the property "as is".

Section 1.03. Prorated Items. Utilities, insurance, rent and other charges, if any, on the property shall be prorated as of the Closing Date.

**ARTICLE II
CONVEYANCE OF PROPERTY - CLOSING DATE**

Section 2.01. Form of Deed. The CITY will convey to Purchaser title to the property by Special Warranty Deed. The conveyance and title shall be subject to the covenants, restrictions, limitations and conditions contained in this Agreement, which are hereby imposed as covenants running with and binding on the land.

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Section 2.02. Time and Place for Delivery of Deed - Closing Date. The CITY shall deliver the deed and possession of the property to Purchaser on such date as mutually agreed upon (herein the "Closing Date").

Section 2.03. Recordation of Deed. Purchaser shall promptly file the deed for recordation in the Richmond Circuit Court Clerk's Office. Purchaser shall pay all costs for recording the deed.

ARTICLE III OBLIGATION TO REHABILITATE AND REPAIR

Section 3.01. Purchaser Obligated to Rehabilitate and Construct Improvements. Purchaser shall: a) within six (6) months of the date of delivery of the aforesaid Special Warranty Deed by the CITY to the Purchaser, obtain all necessary federal, state and City permits, approvals, authorizations for the rehabilitation or construction of a single-family residential dwelling on the Property; and b) within two (2) years from the date of delivery of the Special Warranty Deed by the CITY to the Purchaser, rehabilitate the existing single-family family dwelling or construct a new single-family residential dwelling on the Property in accordance with all applicable state, federal and local laws, rules and regulations.

ARTICLE IV COMMENCEMENT AND COMPLETION OF CONSTRUCTION OF IMPROVEMENTS - NO PARTNERSHIP - HOLD HARMLESS

Section 4.01. Obligation of Purchaser to Complete Construction. Purchaser agrees to promptly begin and diligently complete the redevelopment or rehabilitation of the property through the construction or rehabilitation of the Improvements thereon, and that the construction or rehabilitation shall in any event be completed within the period specified in Article III. **It is intended and agreed that these agreements and covenants shall be covenants running with the land, binding for the benefit of the CITY, and enforceable by the CITY against Purchaser and its successors and assigns.**

Section 4.02. CITY not a Partner or a Joint Venturer - CITY to be Held Harmless. Nothing in this Agreement shall be construed as making the CITY a partner or joint venturer with Purchaser and Purchaser shall indemnify and hold the CITY harmless of and from any loss, claims, or damage, including reasonable counsel fees, arising from the construction of Improvements on the property.

ARTICLE V CERTIFICATE OF COMPLETION

Section 5.01. Obligation of CITY to Furnish Certification. Promptly after completion of construction or rehabilitation of the Improvements on the Property, the CITY will furnish Purchaser with an appropriate instrument in recordable form so certifying. The certification by the CITY shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the covenants in the Agreement and the deed with respect to the obligations of Purchaser to construct or rehabilitate the Improvements and the dates for the beginning and completion thereof. Such determination shall be in the sole discretion of the CITY.

Section 5.02. Written Request on Failure to Provide Certification. If the CITY shall refuse

or fail to provide the certification, the CITY shall, within thirty (30) days after written request by Purchaser, provide Purchaser with a written statement indicating in adequate detail how Purchaser has failed to complete the construction or rehabilitation of the Improvements in conformity with this Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the CITY, for Purchaser to take or perform in order to obtain the certifications.

ARTICLE VI AFFIRMATIVE COVENANTS

Section 6.01. Affirmative Covenants. Purchaser and Purchaser's successors and assigns, and every successor in interest to the property, or any part thereof, shall by reference to this Agreement in the deed be bound by the following covenants requiring Purchaser and Purchaser's successors and assigns to:

(a) Not discriminate upon the basis of race, color, religion, sex or national origin in the sale, lease or rental or in the use or occupancy of the property or any improvements located or to be erected thereon, or any part thereof; and

(b) Comply with the regulations issued by the Secretary of Housing and Urban Development, and all applicable rules and orders issued thereunder, which prohibit the use of lead-based paint in residential structures undergoing federally assisted construction or rehabilitation and require the abatement of lead-based paint hazards.

(c) To surrender possession of, and any interest in, the property upon any breach of this Agreement, including defaults on any financing secured by the property, which the CITY, in its sole discretion, considers material.

(d) Keep the property in good condition including, but not limited to, the mowing of grass, the removal of weeds and brush, the extermination of vermin and pests, and the removal of all garbage and trash.

ARTICLE VII COVENANTS - BINDING UPON SUCCESSORS IN INTEREST - PERIOD DURATION

Section 7.01. Covenants to Run With Land. It is intended and agreed that the covenants provided in Article III, IV, VI, VIII, IX, X, XI and XII shall be covenants running with the land binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the CITY, or any successor thereto, against Purchaser, and every successor in interest to the property or any part thereof or any interest therein, and any party in possession or occupancy of the property or any part thereof.

ARTICLE VIII PROHIBITION AGAINST TRANSFER OF PROPERTY

Section 8.01. No Transfer Prior to Completion of Improvements Without Prior Written Approval of the CITY. Purchaser has not made or created, and (except as permitted by Article IX) will not, prior to the fulfillment of the obligations described in Article III of this Agreement, make or suffer to be made any sale, assignment, conveyance, lease, or transfer in any other form, of the property, or any part thereof or any interest therein, or contract or agree to do any of the same, without the prior written approval of the CITY.

**ARTICLE IX
LIMITATION UPON ENCUMBRANCE OF
PROPERTY - ADVANCE NOTIFICATION**

Section 9.01. Limitation on Encumbrances. Prior to the fulfillment of the obligations of Article III of this Agreement, Purchaser shall not engage in any financing or other transaction creating any mortgage or other encumbrance or lien upon the property, or any part thereof, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attached to the property, or any part thereof, **except for the purposes of obtaining funds only to the extent necessary for making the Improvements and completing the rehabilitation.**

Section 9.02. CITY to be Notified in Advance of Secured Financing. Until the fulfillment of the obligations of Article III of this agreement, Purchaser shall notify the CITY in advance of any financing, secured by mortgage or other similar lien instrument, it proposes to enter into with respect to the property, and of any encumbrance or lien that has been created on or attached to the property or any part thereof, whether by voluntary act of Purchaser or otherwise.

**ARTICLE X
MORTGAGEES AND SUBSEQUENT TITLE HOLDERS
NOT OBLIGATED TO CONSTRUCT**

Section 10.01. Duty of Mortgage Holder to Complete Construction. The holder of any mortgage or deed of trust authorized by this Agreement (including any holder who obtains title to the Property or any part thereof as a result of foreclosure proceedings or an action in lieu thereof, but not including (a) any other party who thereafter obtains title to the Property or any part thereof from or through such holder or (b) any purchaser at a foreclosure sale other than the holder of the mortgage or deed of trust itself) shall not be obligated by the provisions of this Agreement to construct or complete the rehabilitation work or to guarantee such construction or completion; nor shall any covenant or any other provision in the Deed be construed to so obligate such holder. Nothing in this Section or any other Section or provision of this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Property or any part thereof to any uses thereon other than those uses provided for or permitted under this Agreement

**ARTICLE XI
ENFORCED DELAY IN PERFORMANCE**

Section 11.01. Need for Request to Extend Time due to Enforced Delay. Neither the CITY nor Purchaser shall be considered in breach of or default in its obligations with respect to the preparation of the property for redevelopment or rehabilitation or the commencement and completion of construction or rehabilitation of the Improvements, in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence. The time for the performance of the obligations shall be extended for the period of the enforced delay, as determined solely by the CITY, if the party seeking the extension shall request it in writing of the other party within ten (10) days after the beginning of the enforced delay.

**ARTICLE XII
REMEDIES**

Section 12.01. In General. Except as otherwise provided in this Agreement, in the event of any default in or breach of the Agreement, or any of its terms or conditions, by either party hereto, such party shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in such event, within sixty (60) days after receipt of such notice. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its option to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default or breach of its obligations.

Section 12.02. Revesting Title in CITY Upon Happening of Event Subsequent to Conveyance to Purchaser. In the event that subsequent to conveyance of the property or any part thereof to Purchaser and prior to fulfillment of the obligations of Article III by Purchaser: (a) Purchaser shall default in or violate the obligations imposed by this Agreement with respect to the construction or rehabilitation of the Improvements (including the nature and the dates for the completion thereof), or shall abandon or substantially suspend construction or rehabilitation work, and any such default, violation, abandonment or suspension shall not be cured, ended or remedied within sixty (60) days after written demand by the CITY so to do; or (b) Purchaser shall fail to pay real estate taxes, if any, or assessments on the property or any part thereof when due, or shall place thereon any encumbrance or lien unauthorized under Article IX of this Agreement, or shall suffer any levy or attachment to be made, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessment shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the CITY made for such payment, removal, or discharge, within sixty (60) days after written demand by the CITY so to do; (c) there is, in violation of this Agreement, any transfer of the property or any part thereof, and such violation shall not be cured within sixty (60) days after written demand by the CITY to Purchaser; or (d) there is any other violation of any of Purchaser's other covenants or obligations expressed in this Agreement; then the CITY shall have the right to reenter and take possession of and to terminate (and re-vest in the CITY) the title to such property conveyed to Purchaser, it being the intent of this provision, together with other provisions of this Agreement, that the conveyance of the property to Purchaser shall be made upon, and that the deed shall contain, a condition subsequent to the effect that in the event of any default, failure, violation or other action or inaction by Purchaser specified in subdivisions (a), (b), (c), and (d) of this Section 12.02, failure on the part of Purchaser to remedy, end, or abrogate such default, failure, violation or other action or inaction, within the period and in the manner stated in such subdivisions, the CITY at its option may declare a termination in favor of the CITY of the title and of all the rights and interests in and to that portion of the property conveyed by the deed to Purchaser that is affected by any of the foregoing events of default, and that such title and all Purchaser's rights and interests in such affected property, shall revert to the CITY; Provided, that any revesting of title as a result thereof in the CITY shall always be subject to and limited by, shall not defeat, render invalid or limit in any way (a) the lien of any mortgage authorized by this Agreement, and (b) any right or interest provided in the Agreement for the protection of the holder of such mortgage.

Section 12.03. Other Rights and Remedies of CITY. The CITY shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purposes of this Article XII, including (i.) the right to execute and record or file in the Richmond Circuit Court Clerk's Office a written declaration of the termination of all the right, title and interest of Purchaser, and

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(subject to such mortgage liens and leasehold interests as provided in this Article XII hereof), their successors in interest and assigns, in the property, and of the reversion of title thereto in the CITY or, (ii.) The right to execute and record a deed of conveyance to reconvey the property from Purchaser to the CITY which deed shall be a general warranty deed containing English covenants of title. Purchaser hereby irrevocably appoints the City Attorney John A. Rupp. and Assistant City Attorney Jan T. Reid, either of whom may act, as Purchaser's attorney-in-fact to execute such a deed. This power shall be deemed a power coupled with an interest and shall not be revocable by the death, disability, or voluntary or involuntary actions of Purchaser.

Section 12.04. No Waiver by Delay. Any delay by the CITY in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under this Article XII shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that the CITY should not be constrained, so as to avoid the risk of being deprived of or limited in the exercise of the remedy provided in this Article because of concepts of waiver, laches, or otherwise to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved); nor shall any waiver in fact made by the CITY with respect to any specific default by Purchaser under this Article be considered or treated as a waiver of the rights of the CITY with respect to any other defaults by Purchaser under this Article or with respect to the particular default except to the extent specifically waived in writing.

ARTICLE XIII RESALE OF REACQUIRED PROPERTY - DISPOSITION OF PROCEEDS

Section 13.01. CITY's Right to Resell Property. Upon the reversion in the CITY of title to the property or any part thereof as provided in Article XII, the CITY may resell the property (subject to such mortgage liens and leasehold interests as in Article XII set forth and provided) as soon and in such manner as the CITY shall find feasible and consistent with the objectives of applicable law and of the Agreement, to a qualified and responsible party or parties (as determined by the CITY) who will assume the obligation of making or completing the construction or rehabilitation of the Improvements or such other improvements in their stead as shall be satisfactory to the CITY and in accordance with the uses specified for such property in this Agreement. Upon such resale of the property, the proceeds thereof shall be applied: (a) First, to reimburse the CITY, on its own behalf or on behalf of the City, for all costs and expenses incurred by the CITY, including, but not limited to, attorneys fees, salaries of personnel in connection with the recapture, management and resale of the property or part thereof (but less any income derived by the CITY from the property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the property or part thereof (or, in the event the property is exempt from taxation or assessment or such charges during the period of ownership thereof by the CITY, an amount, if paid, equal to such taxes, assessments, or charges [as determined by the City assessing official] as would have been payable if the property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the property or part thereof at the time of reversion of title thereto in the CITY or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Purchaser or Purchaser's successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Improvements or any part thereof on the property or part thereof; and any amounts otherwise owing the CITY by Purchaser and (b) Second, to reimburse Purchaser, up to the amount equal to (1) the sum of any purchase price paid by the Purchaser for the property (or allocable to the part thereof) and the cash actually invested by the Purchaser in performing any construction or rehabilitation of the Improvements on the property or part thereof, less (2) any gains or income withdrawn or made by it

from the Agreement or the property. Any balance remaining after such reimbursements shall be retained by the CITY as its property.

**ARTICLE XIV
PROVISIONS NOT MERGED WITH DEED**

Section 14.01. Transfer of Title not to Affect Agreement. No provision of this Agreement is intended to or shall be merged by reason of any deed transferring title to the property from the CITY to Purchaser or any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement. All such provisions of this Agreement shall survive the execution and delivery of any such deed.

**ARTICLE XV
MISCELLANEOUS**

Section 15.01. Notice. Notices shall be deemed received by the party to whom it is given on the date deposited into the U. S. Mail, certified mail, return receipt requested, to the following addresses:

- If to the CITY: John A. Rupp, City Attorney
 Office of the City Attorney
 900 East Broad Street, Room 300
 Richmond, Virginia 23219

- With a Copy to: Constance Schwartz, Real Estate Specialist
 900 East Broad Street, Room 1104
 Richmond, Virginia 23219

- If to the Purchaser: Tyrone Curtis, Executive Director
 Richmond Redevelopment and Housing Authority
 901 Chamberlayne Parkway
 Richmond, Virginia 23220

Section 15.02. Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors and assigns. No assignment by Purchaser shall relieve her of her obligations under this Agreement.

Section 15.03. Amendments. The CITY and Purchaser shall have the right to amend from time to time any of the terms and conditions of this Agreement, provided that all amendments shall be in writing and shall be signed by or on behalf of the CITY and Purchaser.

Section 15.04. Applicable Law. This Agreement shall be governed by the applicable laws of Virginia.

Section 15.05. Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the CITY and Purchaser only to the

extent permitted by law.

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Section 15.06. Headings. The headings of the several articles and sections of this Agreement are inserted for convenience only and do not comprise a part of this Agreement.

Section 15.07. Non-Assignability. This Agreement shall not be assigned, in whole or in part, by Purchaser without the express written consent of the CITY.

Section 15.08. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

WITNESS the following signatures and seals:

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

By Calvin Jamison (SEAL)
Dr. Calvin D. Jamison, City Manager

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

By Tyrone Curtis (SEAL)
Tyrone Curtis, Executive Director

COMMONWEALTH OF VIRGINIA,
CITY OF RICHMOND, to wit:

The foregoing instrument was acknowledged before me this 27th day of MARCH, 2001, by Dr. Calvin D. Jamison, City Manager, on behalf of the City of Richmond, Virginia, a municipal corporation of the Commonwealth of Virginia.

My commission expires 09/30/03

Heidi P. Jones
Notary Public

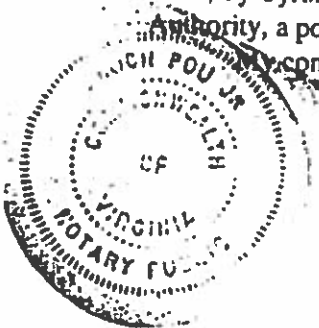


COMMONWEALTH OF VIRGINIA,
CITY OF RICHMOND, to wit:

The foregoing instrument was acknowledged before me this 8th day of May, 2001, by Tyrone Curtis, Executive Director, on behalf of Richmond Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia.

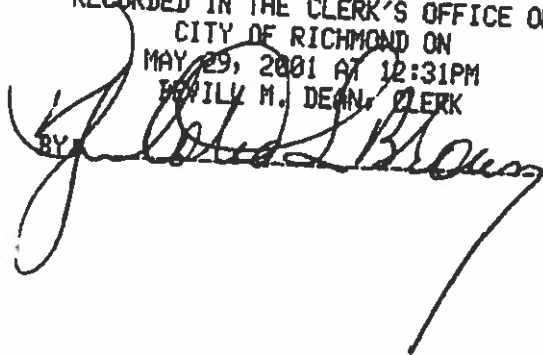
My commission expires 7-31-2004

Emuel P. Jones
Notary Public



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INSTRUMENT #010013363
RECORDED IN THE CLERK'S OFFICE OF
CITY OF RICHMOND ON
MAY 29, 2001 AT 12:31PM
WYLLI M. DEAN, CLERK

BY  (DC)

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

**Richmond Redevelopment and Housing
Authority
901 Chamberlayne Pkwy
Richmond, Virginia 23220**

Recorder's Stamp

DEED OF RELEASE

THIS DEED OF RELEASE is made as of the ___ of _____, 2020, by and between the City of Richmond, Virginia, a municipal corporation of the Commonwealth of Virginia (the "City"), a Grantor herein, the Richmond Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia ("RRHA"), a Grantor herein, for the benefit of Jackson Commons Partnership, LLC, a Virginia limited liability company (the "Developer" or "Grantee").

WHEREAS, pursuant to that certain Development Agreement between the City and RRHA, dated as of March 27, 2001 (the "Agreement"), RRHA was obligated to complete redevelopment and rehabilitation of, or construction of improvements to, the property more particularly described in Exhibit A hereto (the "Property") in accordance with certain requirements;

WHEREAS, RRHA subsequently sold the Property to the Developer;

WHEREAS, the Developer has entered into a Purchase and Sale Agreement with Better Housing Coalition ("BHC"), pursuant to which BHC, directly or through an affiliate, intends to acquire the Property;

WHEREAS, the Project is to be developed by BHC or an affiliate as a rental housing project for low income residents;

WHEREAS, BHC and the Developer are not party to the Agreement;

WHEREAS, the City and RRHA desire to release the lien under the Agreement with respect to the Property and to terminate the covenants currently attached to the Property;

WHEREAS, capitalized terms used but not otherwise defined herein have the meanings set forth in the Agreement.

NOW, THEREFORE, the City and RRHA do hereby release the lien and the covenants and hereby quitclaim unto the Grantee herein all reversionary rights contained under the Agreement with respect to the Property.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City and RRHA have executed this Deed of Release as of the date and year first written above.

APPROVED AS TO FORM:


Deputy City Attorney

CITY:

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

By: _____
Name: _____
Title: _____

RRHA:

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

By: _____
Name: _____
Title: _____

EXHIBIT A

Property

[insert legal description]

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY ("RRHA")

PROPOSED RESOLUTION

Meeting Date August 19, 2020

Agenda Item No. _____

TITLE: RESOLUTION AUTHORIZING THE INTERIM CEO, OR HER DESIGNEE, TO NEGOTIATE AN AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH JACKSON COMMONS PARTNERSHIP, LLC AND TO EXECUTE ANY DOCUMENTS REQUIRED BY SUCH AMENDMENT

RESOLUTION:

WHEREAS, RRHA and Jackson Commons Partnership, LLC ("Jackson Commons") previously entered into that certain Disposition and Development Agreement, dated September 29, 2003 (the "DDA"); and

WHEREAS, pursuant to the DDA, RRHA conveyed certain parcels of real estate to Jackson Commons, who agreed to complete certain development on the aforementioned parcels; and

WHEREAS, Jackson Commons now desires to convey some of the aforementioned parcels to Better Housing Coalition ("BHC"), a Virginia non-stock corporation, to allow BHC to develop affordable housing; and

WHEREAS, RRHA sees this as an opportunity to further its goal of increasing quality, affordable housing in the City of Richmond; therefore

BE IT RESOLVED that the Interim Chief Executive Officer, or her designee, is authorized and directed to negotiate, execute and deliver an amendment to the DDA that (i) consents to Jackson Commons' conveyance of certain parcels of real estate to BHC in exchange for payment to RRHA of not less than Thirty Percent (30%) of the gross sales prices of the parcels, (ii) releases the DDA and any other interest RRHA has in the conveyed parcels, including any deed restrictions or rights of reversion which may constitute an interest of RRHA in the concerned real estate, and (iii) reserves all other rights and obligations under the DDA; and

BE IT FURTHER RESOLVED that the Interim Chief Executive Officer, or her designee, is authorized and directed to negotiate, execute and deliver any other document reasonably necessary to complete RRHA's obligations under the aforementioned amendment to the DDA.

Recommended by Terese Walton Date August 19, 2020
Executive VP & Chief Real Estate Officer

Approved by Stacey Daniels-Fayson Date August 19, 2020
Interim Chief Executive Officer

COMMISSIONERS' ACTION

Approved _____

Disapproved _____
Meeting August 19, 2020

Agenda Item No. _____



Better Housing
COALITION

Better Homes. Better Communities. Better Lives.

October 25, 2020

Michelle B. Peters
Deputy Director
Department of Housing and Community Development
City of Richmond
VIA Email : Michelle.Peters@richmondgov.com

Dear Ms. Peters,

By this letter, Better Housing Coalition, a Virginia not-for-profit corporation, is formally expressing its commitment and readiness to complete the Development at Cameo and Jackson in Jackson Ward. I have attached the financial commitments we have received to date totaling over \$10 million in financing that is ready to be deployed. This includes:

- Award of tax credits from Virginia Housing
- Commitment from VCDC to invest and receive the tax credits
- Award of Rental Assistance from RRHA
- Award of State Housing Trust Funds from DHCD
- Grant from Virginia Community Capital
- Grant from the Community Foundation
- We also plan to submit under the City's most recent NOFA for funding to further enhance the development.

I have also attached our external and internal renderings for your information.

In addition to financing commitments, to further evidence readiness we have already submitted for Plan of Development with the City on October 19th. We very much look forward to delivering on this quality development for the City and will begin construction upon approval of POD, expected in early 2021.

If you need any additional information please let me know.

Sincerely,
BETTER HOUSING COALITION

John Bolton

Digitally signed by John Bolton
DN: cn=John Bolton, o=Better
Housing Coalition, ou,
email=jbolton@betterhousingcoalition.org,
ou=org, c=US
Date: 2020.10.25 16:40:51 -0400

John S. Bolton
VP Real Estate Development

betterhousingcoalition.org

PO Box 12117 • 23 W Broad Street, Suite 100 • Richmond, VA 23241 • 804 644.0546





July 10, 2020

Cameo Street LLC
23 W. Broad Street, Suite 100
Richmond, VA 23220

Attn: Mr. Lee Alford

Re: Reservation of Low-Income Housing Tax Credits
for Allocation for Cameo Street

Dear Mr. Alford:

The Virginia Housing Development Authority ("VHDA") is pleased to enclose herewith two duplicate original Reservation Agreements pursuant to which an aggregate annual amount of \$950,000.00 of low-income housing tax credits ("Credits") available under § 42 of the Internal Revenue Code of 1986, as amended (the "Code"), is reserved for allocation to you with respect to the captioned Development. Such amount has been determined by VHDA, as required by § 42(m)(2)(A) of the Code, to be not greater than the amount necessary for the feasibility of the Development and its viability as a Qualified Low-Income Housing Project throughout the Credit Period (as those terms are defined in the Code). Accordingly, please note that even if this amount is less than what you requested, you will still be required to produce the Development as described in your application.

We are also enclosing several other documents referenced in the Reservation Agreement. (An Allocation Application, Request for Form 8609 and related documents will be sent to you under separate cover at a later time.) Two of them, the Contract and the Extended Use Regulatory Agreement, are designed to hold you to representations which you made in your application. Please advise us immediately if you believe that any provisions of the Reservation Agreement or the two documents are at odds with the representations in your application.

After reviewing the enclosures, you may accept the Reservation by returning to VHDA, 601 South Belvidere Street, Richmond, VA 23220, Attn: Tax Credit Allocation Department, not later than 5:00 p.m., July 31, 2020, the following items required by Section 2 of the Reservation Agreement:

1. one executed original of the Reservation Agreement;
2. one executed original of the Contract; and
3. a non-refundable Reservation Fee in the amount of \$66,500.00 unless instructed otherwise in Exhibit A of the Reservation Agreement.

Thereafter, in order to receive an allocation of Credits, you must satisfy all of the requirements of the Reservation Agreement, including, but not limited to, the application package (including all of the mandatory items listed on the submission checklist) by October 1, 2020. This is the case even if you intend to request a carryforward allocation because certain conditions to such allocations must be met during this calendar year.

You must comply with the deadlines set forth in the Reservation Agreement. A fine of \$500 will be assessed for each day any submission is late. An extended delay will result in the loss of your reservation. Also, please keep track of the enclosed original documents, particularly the Extended Use Agreement, because the recorded Extended Use Agreement is due back on April 30, 2022. A \$50.00 fee will be assessed for any request for the replacement of original documents.

Virginia Housing
Headquarters

601 South Belvidere Street
Richmond, VA 23220
804-782-1986

Toll Free: 877-843-2123
VirginiaHousing.com

2020 Reservation Award Letter
July 10, 2020

You may elect to lock in the applicable credit percentage for the month in which the Reservation is made. July's rate is 7.18% for the 70% present value credit and 3.08% for the 30% present value credit. Under Section 42 (b)(2), the applicable percentage for the 70% present value credit shall not be less than 9.00%. If you do not lock in now for all buildings in the Development you will have to use for each individual building the rate in effect for the month that each such building is placed in service (regardless of whether you receive a regular or a carryforward allocation this year). Should you decide to lock in now, make the election to fix the applicable credit percentage on page 4 of the Reservation Agreement and return the original election to fix to VHDA by August 5, 2020.

Also, you may execute and return the enclosed Gross Rent Floor Designation to VHDA no later than the date on which the building(s) are placed in service to designate such placed in service date as the date the gross rent floor will take effect for such building(s). In the absence of such designation, the Internal Revenue Service will treat the gross rent floor in § 42(g)(2)(A) of the Code as taking effect on the date VHDA initially allocated Credits, which is the date of the Reservation Agreement.

Please also be reminded that you may not alter your proposal in any way which would make a material difference in your Development or the number of points you received during the application selection process and that all changes must be approved in advance by VHDA.

If for any reason you determine that you will be unable to use all or any portion of the Credits reserved for the Development, please notify us immediately so that they may be re-reserved as quickly as possible.

Finally, please accept our congratulations for submitting such an impressive proposal. We are confident that the Development, along with the other projects selected to receive Reservations of Credits pursuant to this year's competitive process, will be instrumental in helping to alleviate the pressing need within the Commonwealth for additional housing for low-income persons and families. We appreciate your efforts and, after we receive all of the items necessary to accept the Reservation by July 31 (the election to fix by August 5, if you choose to fix the applicable credit percentage), we will look forward to receiving your allocation application package on or before October 1, 2020. After VHDA's review of your allocation application package, VHDA will issue IRS Form 8609(s) or a Carryforward Allocation Agreement for the Development.

Please call us should you have any questions.

Sincerely,



John D. Bondurant
Authorized Officer

JDB/fwb
Enclosures



September 24, 2020

Mr. Lee Alford
Cameo Street LLC
c/o Better Housing Coalition
23 W. Broad Street, Suite 100
Richmond, VA 23241

RE: Cameo Street LLC
VCDC LOI Commitment Letter

Dear Mr. Alford:

Subject to the terms and conditions outlined in this letter, additional underwriting and due diligence including reviews of tax-related technical details and appraisal reports, and Investor Committee review and approval, we are prepared to purchase the Investor Member interests in the above referenced Limited Liability Company (the "Company").

This letter outlines some of the major terms and conditions that we would include in an Operating Agreement (the "Operating Agreement") and related documents. These terms and conditions are based on our analysis of information provided to date by you and certain assumptions and information, including estimates of project costs and debt financing, as summarized in the materials attached as Exhibit A, and is subject to change as the assumptions and information change.

This letter includes some changes in the amounts of certain capital contributions and a change in the closing date as compared to the executed letter dated March 25, 2020. A fully executed version of this letter replaces the earlier letter.

1. **The Company**

A. **The Project**

The project ("Project") will involve the new construction of a new building to be located at 14 W. Jackson St in the Jackson Ward neighborhood in the City of Richmond, Virginia. The project will result in the development of 67 affordable apartments. The project is referred to as Cameo Street in Low-Income Housing Tax Credit-related documents, and may be marketed by another name to-be-determined. The Company will own and operate this project and has elected the 40/60 set aside income restrictions requirement, although 100% of the residential units (the "Applicable Fraction") are expected to be eligible to receive an allocation of federal low income housing tax credits (the "Credit") as provided for in Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). The Company will operate the Project in accordance with the applicable IRS Regulations. A calculation of expected Credits is detailed on Exhibit A. Development costs, financing and capital structure will be as shown on the sources of funds schedule included in Exhibit A.

B. Company Interests

The Company will consist of PAD XXII LLC, an affiliate entity of Better Housing Coalition (BHC), as the Managing Member (the "Managing Member"), the Housing Equity Fund of Virginia XXIV, L.L.C. (the "Fund") as the Investor Member (the "Investor Member"), and VAHM, L.L.C., as a Special Member (the "Special Member"). The Managing Member shall be a single purpose entity and shall not engage in any business other than that of the Company. The Managing Member will own a .009% interest in the Company and will make a Section 168(h) election. The Fund will own a 99.99% interest in the Company. The Special Investor Member shall own .001% interest in the Company.

C. Capital Contributions

The Managing Member will be required to make a capital contribution of \$100 to the Company at initial Company Closing.

The Fund will acquire the entire Investor Member interest in the Company for a total contribution of **\$8,549,145**. This investment is based on an annual Credit of **\$950,000** (the "Projected Credit"), and the accuracy of the other information and assumptions set forth in the schedules attached as Exhibit A or in the Project's tax credit application. Adjustments in the Fund's capital contribution as a result of a decrease in the Projected Credit will be based upon a formula established in the Operating Agreement and described below.

The Fund's capital contribution to the Company will be paid in installments according to the following schedule:

(i) **\$1,700,000** at the time of Closing and the commencement of construction. This contribution will include \$42,000 to pay for the Fund's due diligence and the tax opinion rendered by its counsel and \$125,000 of the cash Developer Fee. These funds would be subject to timely review and approval by the Fund of the items set forth on the Fund's checklist, including but not limited to:

(a) **Legal Opinion.** Tax and local law opinions as described herein.

(b) **Title Policy.** An ALTA owner's title insurance policy with respect to the Project in an amount equal to total project costs as shown in the Project Budget, insuring that the Company has fee simple title to the Project with only those encumbrances and exceptions acceptable to the Fund.

(c) **Environmental Matters.** A report, in accordance with current ASTM standards at the time of Company closing, satisfactorily confirming no adverse environmental conditions, including, without limitation, evidence that radon gas is not present in any of the apartment units at a level above the recommended permitted safe level as determined by the Environmental Protection Agency or any other applicable governmental authority.

(d) Survey. An ALTA survey, dated no more than ninety (90) days prior to the date of funding.

(e) Plans and Specifications. The Managing Member shall have submitted to the Fund Plans and Specifications for the Project.

(f) Permits. A copy of any permits and licenses that are required for the construction of the Project, issued by the appropriate governmental authorities.

(g) Cost Certification. The cost certification delivered to the VHDA in connection with any carryover of credits, with copies of all invoices and backup information, if available at closing.

(h) Checklist. All other items as the Fund may reasonably request to satisfy its due diligence requirements, including, without limitation, those documents set forth on the Fund's closing checklist and to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in the Operating Agreement.

(i) Permanent Financing. Copies of commitment letters or agreements from all anticipated financing sources, in form and substance acceptable to the Fund, necessary to meet the Company's financial needs.

(j) Construction Financing. Receipt and approval of all construction financing documents.

(k) Credits. A reservation for annual Credits in the amount of at least **\$950,000**.

(l) Construction Contract. The general construction contract, in form and substance acceptable to the Fund and with a fixed price or maximum upset price acceptable to the Fund, and with a general contractor reasonably acceptable to the Fund. The contract should also include liquidated damages provisions.

(m) Financials. Current financial statements of the Managing Member and its affiliates, verification of background information to be provided to the Fund by the Managing Member and there having been no changes in the tax laws or treasury regulations or pronouncements or interpretations of existing tax issues that would materially and adversely affect the Fund's investment in the Company.

(n) HAP Contract. Documentation that the Managing Member has an executed an Agreement to enter into a HAP Contract for project-based subsidy to subsidize the rents of at least six of the project units.

(ii) Up to **\$1,000,000** at the time of 25% completion of construction based on certification by a construction inspector selected by the Fund. These funds will be used to repay any balance

outstanding on the construction loan or otherwise for approved development expenses. This amount includes \$100,000 in cash Developer Fee.

(iii) Up to **\$1,000,000** at the time of 50% completion of construction based on certification by a construction inspector selected by the Fund. These funds will be used to repay any balance outstanding on the construction loan or otherwise for approved development expenses.

(iv) Up to **\$1,000,000** at 75% completion of construction based on certification by a construction inspector selected by the Fund. These funds will be used to repay any balance outstanding on the construction loan or otherwise for approved development expenses. This amount includes \$25,000 to fund a Lease-up reserve.

(v) Up to **\$125,000** at certificate of substantial completion of construction based on certification by the project's architect and a construction inspector selected by the Fund. These funds will be used to pay \$125,000 in cash Developer Fee.

(vi) **\$3,124,145** at closing the permanent financing (or, otherwise, conversion of construction financing to permanent financing) and draft cost certification. These funds will be used to repay any balance outstanding on the construction loan and any approved development expenses. This installment will not be paid before receipt, by the Fund from the Company's independent accountant, a draft Cost Certification confirming basis sufficient to generate the projected Credits. This amount includes a projected \$189,000 in cash Developer Fee.

(vii) **\$180,000**, projected to be comprised entirely of cash Developer Fee, when the project has achieved full qualified occupancy (all LIHTC-assisted apartments leased to qualified households), and breakeven operations, including proper debt service coverage, with physical and economic occupancy of at least 93% for at least 3 consecutive months. This installment will not be paid before the (1) receipt by the Fund of the Company's tax return, (2) receipt of IRS Form(s) 8609, and (3) receipt of a final Cost Certification confirming sufficient basis. Provided the project has achieved full qualified occupancy and breakeven operations with physical and economic occupancy of at least 93% for at least 3 consecutive months.

(viii) **\$320,000** will be used to fund the Operating Reserves. The Investor Members reserve the right to deposit any or all of the Operating Reserves within 24 months of the date the project is eligible to receive the sixth capital contribution. Any amounts not deposited immediately upon satisfaction of the other conditions for equity funding will accrue interest at 1.5% per annum to be paid by the Investor Members. If the Operating Reserves are needed within this 24 month period, the Investor Member will fund these reserves.

The payments identified in Paragraph 1C are subject to reduction pursuant to Paragraph 2C below, if the actual, available Credit is less than the Projected Credit. Also, each payment will be contingent upon satisfaction of certain representations and warranties to insure the Project's viability, including that (a) the operation of the Project in all respects complies with the Code; (b) the Managing Member's representations, warranties and covenants contained in the Operating Agreement remain true and correct in all material respects; including but not limited to, any environmental

representations and warranties set forth in the Operating Agreement; and (c) the Managing Member has complied with the covenants and obligations contained in the Operating Agreement and related documents.

2. Early and Late Delivery Capital Adjustments

As an incentive to encourage the early delivery of tax credits, the Investor Member will contribute an additional amount equal to \$0.50 times the amount the actual 2022 credits exceed \$478,227. The upward adjuster shall not exceed \$10,000 and payment will not be required if 100% Qualified Occupancy is not achieved by December 31, 2022. A reduction in the above Investor Member contributions will occur if the actual amount of 2022 credits delivered is less than the projected amount of \$478,227. This "Late Delivery Capital Adjustment" will equal the amount by which \$478,227 exceeds the actual credits that are claimed in 2022.

3. Managing Member and Guarantees

The Managing Member will be responsible for the following items. Any costs borne by it will not be considered as loans or capital contributions to be reimbursable or repayable by the Company unless otherwise stated herein.

A. The Managing Member will unconditionally guarantee construction completion in accordance with approved plans and specifications and will bear and timely pay for any construction costs, costs to achieve permanent loan closings and operating deficits until each unit in the property has been leased at least one time to a qualified low-income household and until the property has achieved six consecutive months of breakeven operations, inclusive of evidencing proper debt coverage, with physical and economic occupancy of at least 93%. No additional Company debt financing will be permitted unless approved by the Fund. Any amounts paid under this guaranty will be a "Construction Loan."

B. The Managing Member will be obliged to fund operating deficits, as may be limited as per Section 3H below, for a period of 15 years, commencing after expiration of the construction completion guaranty, in excess of reserves allocated therefore from debt and/or equity funds (as indicated in the attached Exhibit A and below). This obligation will be unsecured. Funds expended to satisfy this operating deficit obligation shall be treated as a loan to the Company without interest and repaid out of cash flow, refinancing, sale and liquidation proceeds as provided in Paragraph 4 hereof (an "Operating Deficit Loan").

C. The total Credits allocated to this project are **\$9,500,000**. The Managing Member and the Guarantor shall guarantee the allocation of 99.99% of the foregoing amount of Credits to the Fund. If the Credits are reduced for any reason other than a change in federal or state tax laws and the Managing Member is unable to comply with same despite its good faith efforts to do so, condemnation, casualty loss (unless the Managing Member has failed to maintain the insurance required under the Operating Agreement), or a sale approved by the Investor Member, then, if the Credit shortfall exceeds Operating Reserves, the Managing Member and Guarantor will pay to the Fund an amount equal to the credit shortfall multiplied by **\$0.90**. If a credit shortfall occurs while

capital contributions are still unpaid, the amount to be contributed will first be reduced by the amount to be paid to the Fund. If the Managing Member or the Guarantor do not pay such amounts as and when required under the Operating Agreement, and the Fund does not exercise its remedies as set forth therein, all benefits and distributions, including Developer Fee, Construction Period Management Incentive Fee, Incentive Management Fee and repayment of operating deficit loans, shall be subordinated until such shortfall is paid.

In addition to the Credit guarantee described above, the Managing Member shall guarantee to the Fund the receipt of Credits (the Investor Member's share of 99.99%) of \$478,227 for 2022, \$950,000 per year for years 2023 through 2031, and \$471,773 for 2032. If Credits are not delivered as projected, the Fund may reduce its remaining capital contributions by an amount equal to the delivery shortfall times \$0.90.

D. The Managing Member will repurchase the Fund's interest and return its investment payments made to date of repurchase, with interest, if the Project does not generate 75% of the Projected Credit for the year it is placed in service or in the subsequent year and the occurrence of other events to be set forth in the Operating Agreement.

E. The Managing Member will unconditionally guarantee receipt of permanent mortgage financing with terms and conditions equivalent to those described in Exhibit A.

F. The Managing Member shall indemnify and hold the Company and the Investor Member(s) harmless from and against claims and losses due to the presence of any and all hazardous waste upon, under or otherwise affecting the property.

G. Better Housing Coalition (the "Guarantor"), or such other Guarantor with an acceptable financial condition (as measured, generally, by maintaining a minimum net worth to be determined) will unconditionally guarantee all of the Managing Member obligations as delineated above, subject to the limitations set forth in H. below.

H. Certain of Guarantor's guarantee obligations will be limited as follows: (i) guaranty obligation under Section 3B will, until the longer of 5 years after commencement of such guaranty or 2 consecutive years of operations with positive distributable cash from the achievement of breakeven operations, be unlimited and, thereafter, the guaranty obligation will be limited to an amount equal to six months of the then current operating expenses, required reserves, and debt service, but if, at 10 years after commencement of this guaranty, if the Operating Reserve balance exceeds \$320,000 and the Company is current on mandatory mortgage payments, all further Guarantor obligations under this guarantee will be terminated; (ii) guaranty obligation under Section 3C will be limited to the amount of the development fee (including deferred fee) and other fees, excluding the property management fees, paid to guarantor or its affiliates with respect to the Project; (iv) guaranty obligation under Section 3D will be limited to the amount of the Investor Member's capital contributions, but will not include interest.

4. Reserves

A. An Operating Reserve in the minimum amount of \$320,000 will be established by the Members from the seventh contribution detailed above and no later than 24 months after the release of the remaining amounts of the capital contributions detailed herein. In the event the Investor Member delays deposit of any or all of this Reserve, the amount not deposited will accrue interest at 1.5% per annum (starting upon release of the preceding capital contribution) and this interest will be paid by the Investor Member to the Operating Reserve account no later than 24 months after the remaining contribution amounts are released. The Operating Reserve will remain in place to fund the Managing Member's obligations under the operating deficit guarantee and the Credit shortfall guarantee. In the event the Investor Member has delayed funding the Operating Reserve but the Operating Reserve is needed for obligations under the guarantees or other purposes, the Investor Member will release the amounts needed to the Managing Member. The Operating Reserve will be replenished, if drawn upon, out of cash flow and other available funds, throughout the life of the Company, as described in Section 4B, prior to payment of a management incentive fee. If the Operating Reserves are needed within this 24-month period, the Investor Member will establish the Reserves.

B. A replacement reserve shall be funded out of cash flow on a monthly basis as part of the Company's mortgage payments to VHDA in an amount no less than \$300 per residential unit per year.

C. A lease-up reserve is currently projected in the minimum amount of \$25,000 funded for the purpose of funding operating expenses during the lease-up period. The reserve amount will be deposited into the Company operating account by the Managing Member concurrent with, most likely, the fourth capital contribution. Any unused capital from the lease-up portion of this reserve shall be paid to the Managing Member or its nominee as an incentive management fee, following full, qualified occupancy and the achievement of 3 consecutive months of breakeven operation

**5. Allocation of Operational Profits/Losses
Credits and Distributable Cash Flow**

A. Generally, the Managing Member will be entitled to .009%, the Fund will be entitled to 99.99%, and the Special Investor Member will be entitled to .001% of ordinary profit, losses and Credits. Other allocations will be provided to insure that the allocations have substantial economic effect.

B. Distributable Cash Flow (as defined in the Operating Agreement, after replenishment of the reserve accounts identified in Paragraph 4 hereof) in any year shall be distributed or paid in the following order and amounts:

(i) For amounts due to the Investor Member for any assumed Investor Member tax liability for current and prior years;

(ii) For amounts due to the Investor Member pursuant to adjustments per the guarantees or for credit shortfalls;

(iii) To replenish the Operating Reserve up to a balance of \$320,000, or to provide additional capital to the Operating Reserve, or other reserves, as may be determined later by mutual agreement of the Managing Member or Investor Member;

(iv) For amounts due for any deferred Developer Fee;

(v) To the payment of Sponsor Loans, including loans based on Richmond Community Foundation funding to BHC, and other funding, (if allowable);

(vi) To the payment of any outstanding Operating Deficit Loans or Managing Member loans, based on the respective balances of each;

(vii) Up to ninety percent for payment of the Incentive Management Fee (as may be allowed); and,

(viii) To Members in accordance with their respective interests.

6. Allocation of Net Proceeds of Sales and Refinancing and Profits/Losses From Sale or Refinancing

A. Proceeds of Sale, Refinancing or Liquidation (as defined in the Operating Agreement) will be distributed in the following order, after payment of all debts and liabilities to third parties:

(i) To the payment of all matured debts and liabilities of the Company (including amounts due to any Project Loan and all expenses related to transfer or refinancing);

(ii) To the setting up of any reserves which are deemed reasonably necessary for contingent, unmatured, or unforeseen Company liabilities;

(iii) To the Special Member, up to 1% of the gross proceeds of the Capital Transaction as an administrative fee;

(iv) To the payment of any debts and liabilities (including unpaid fees) owed to the Members or any affiliates of the Company for Company obligations in accordance with a prioritization to be determined;

(v) To the Managing Member and Investor Member in proportion to the relative amounts of any tax liabilities;

(vi) To the Managing Member for payment of accrued interest on any Operating Deficit Loan;

(vii) To payment of any Guarantor LIHTC Compliance Loan; and,

(viii) To balance 89.999% to the Managing Member, 10% to the Investor Member, and .001% to the Special Member.

B. Profits and Losses from sale or refinancing will be similarly allocated after certain priority allocations designed to meet requirements of the Code and treasury regulations ("Regulations") there under.

7. Fees to Be Paid

The following fees will be paid by the Company for services rendered in organizing, developing and managing the Company and the Project.

A. Developer Fee. The Managing Member will earn a Developer Fee of \$1,140,000, which shall be deemed earned as follows:

- (1) 20% by March 15, 2021;
- (2) 40% when the units are placed in service;
- (3) 20% on achievement of 100% qualified occupancy;
- (4) 20% on receipt of IRS Form 8609

While earned as shown above, the cash Developer Fee will be paid from the 1st, 2nd, 5th, 6th and 7th capital contributions as set forth in the Operating Agreement. If the proceeds from the Project Budget are insufficient to pay the Developer Fee, the Developer Fee will be deferred at no interest and payable from Distributable Cash Flow (as described in Section 4.B.). The Managing Member and the Guarantor will unconditionally guarantee payment of any Developer Fee remaining unpaid after the 13th anniversary of the date on which the Project is placed into service.

B. Asset Management Fee. An asset management fee of \$5,775 per year, increasing annually by 3.00% shall be paid to VCDC or its affiliate, the Virginia Housing Capital Corporation, as an annual expense to the Company before the determination of Distributable Cash Flow. This fee is for the purpose of VCDC or its affiliate, Virginia Housing Capital Corporation's duties in monitoring and asset managing the Project, including review of tenant qualifications, lease-up and compliance, financial reporting review and compliance, and other duties typically performed during the compliance period.

C. Property Management Fee. The management agent and the terms and conditions of the management agreement for the Project shall be subject to the prior approval of the Fund. The management agreement shall contain provisions providing for termination of the management agreement by the Fund in the event of the removal or withdrawal of the Managing Member and for certain events of default to be described in the Operating Agreement. Each said management agreement shall be for a term of no more than two years. The property management fees will be 7.01% of gross rental revenues (drawn based on 2020 LIHTC application expense modelling).

D. **Incentive Management Fee.** Unless otherwise limited or prohibited (as may be determined prior to initial Company closing), an incentive management fee shall be payable to the Managing Member on an annual basis in an amount equal to 90% of Distributable Cash Flow after payment of the items described in Paragraph 5.B.

E. **Exit Fee.** To the Investor Member at the time of the exit of the Investor Member from the Company, in order to pay the Investor Member's legal, accounting and administrative expenses, in an amount not to exceed \$20,000.

8. **Schedule of Events**

The schedule of events on which this commitment's projections of profit, loss, cash flow and Credits and the Fund's capital contribution commitment are predicated as follows:

Closing:	March 15, 2021
Construction Start:	March 30, 2021
Construction Completion:	June 15, 2022
Full Qualified Occupancy:	December 31, 2022

9. **Rights of the Investor Member**

Special rights of the Fund as Investor Member shall include, among other things, subject to the prior consent of the Company's lenders, if required, the right to:

A. Remove the Managing Member and admit a replacement Managing Member upon a default under the Operating Agreement, including one or more of the following events:

- (i) a material breach of the Managing Member's duties or responsibilities which hasn't been cured given a 30-day notice;
- (ii) if the Managing Member defaults on its guarantee obligations as described herein;
- (iii) upon the bankruptcy or insolvency of the Managing Member;
- (iv) upon filing by the Managing Member of an assignment for the benefit of creditors; or
- (v) upon the attachment, execution or judicial seizure, whether by enforcement of money judgment, writ or warrant of attachment or any other process, of all or substantially all of the assets of the Managing Member which is not released within 30 days after such action.

B. Dissolve the Company (with the consent of the Managing Member);

C. Continue the business of the Company with a substitute Managing Member(s);

D. Consent to the sale of all or substantially all of the assets of the Company (which sale shall not be permitted without such consent) without abrogating the terms of the recorded Right of First Refusal Agreement;

E. Consent to any refinancing of long-term debt (which refinancing shall not be permitted without such consent and such consent will not be unreasonably withheld);

F. Consent to any assignment, sale, encumbrance or pledge of the Managing Member's interest (which shall not be permitted without such consent).

G. Consent to any action that jeopardizes the Credit or increases the risk of recapture.

10. Accountant's Letter; Selection

A. The Managing Member will select, subject to Investor Member consent, an experienced independent firm of Certified Public Accountants to complete the Cost Certification and 8609 application following construction completion. This Certification shall contain a line-item accounting and calculation of Credit basis. The cost of this Certification and application will be included in the Project Budget.

B. The Managing Member will select, subject to Investor Member consent, an experienced and independent firm of Certified Public Accountants to prepare or review the Partnership year-end financial statements and prepare the Partnership's annual tax returns. Audited financial statements shall be required. The cost of the audit and tax returns will be included in the Project Budget. The selected firm must provide the Fund with draft tax returns by 2/15 of each year and draft audits by 3/15 of each year so that financial details may be included in the Investor Member's financial filings.

11. Opinion of Counsel

The Fund will require an opinion of counsel satisfactory to the Fund on such matters as may be requested, including, without limitation, a tax opinion that all conditions are met for distribution of tax attributes to the Fund, formation of the Company, limited liability of the Investor Member, no conflict between the Operating Agreement and other binding documents, and no litigation. The cost of this opinion shall be a Project expense and an allowance therefore is included in the Project Budget. If the fees or cost thereof exceed the allowance thereof, the excess shall be borne by the Managing Member(s).

12. Legal Cost

The Company shall be responsible for the legal costs of the Fund for Company document preparation, due diligence and other tasks necessary to complete the transaction. These legal costs will total \$42,000.

13. Company Closing

Final Company closing will be contingent upon completion of Fund's due diligence review, including, but not limited to, the following:

A. The Fund's determination that the financial projections, Project Budget and other assumptions set forth in Exhibit A can be met or satisfied by the Company and the Managing Member.

B. Preparation and execution of an Operating Agreement acceptable to the Fund and the Managing Member and the satisfaction of other conditions to closing set forth in this letter of commitment and said Company documents.

D. During construction, a title company acceptable to the Fund will be used to obtain lien waivers and secure other title needs of the Fund.

E. Acceptance of the Project by the Fund's Investor Committee.

F. Receipt of firm commitments of financing.

The Managing Member shall make available to the Fund any and all items, reports or information requested by the Fund in connection with such due diligence review. Costs of all due diligence reports shall be paid by the Managing Member. The Company shall reimburse the fund for out-of-pocket due diligence expenses, including legal fees. Such amount shall be limited to \$42,000 and will be payable out of the Fund's first capital contribution.

14. Non-Profit Purchase Option

Better Housing Coalition will be granted a purchase option and right of first refusal with respect to the Project on the terms to be set forth in the Operating Agreement and in the Right of First Refusal Agreement recorded against the property.

15. Commitment Letter

This letter of commitment outlines terms and conditions that will be included in Company documents, in form and substance acceptable to both parties. The parties agree to review promptly and cooperate in good faith in preparing the Company documents.

16. Failure to Agree

A. This letter of commitment will be null and void if not signed by you and returned to the Fund before 5:00 p.m., Richmond, Virginia time, on October 5, 2020.

B. This letter of commitment is contingent upon successful completion of the Fund's underwriting process.

C. If the parties do not reach an agreement with respect to the Company documents or if the conditions described herein to the Fund's purchase of the Investor Member's interest are not satisfied within 180 days after the date of acceptance of this letter of commitment (which date of acceptance shall be the effective date of the commitment letter), either party may terminate this letter of commitment by written notice to the other.

Sincerely,

Housing Equity Fund of Virginia XXIV, L.L.C., a
Virginia limited liability company

By: Virginia Housing Capital Corporation, its
Managing Member

By:  _____
Name: Christopher Sterling
Title: Secretary

Mr. Lee Alford
Cameo Street LLC
September 24, 2020
Page 14

Agreed and accepted:
Cameo Street LLC

By _____ Date: _____

Title _____

Board of Commissioners
Veronica G. Blount, Chairman

Neil S. Kessler
Marilyn B. Olds
Elliott M. Harrigan
Samuel S. Young, Jr.
Jonathan Coleman
Robley S. Jones
Robert J. Adams



March 4, 2020

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

Greta J. Harris
Better Housing Coalition
23 W. Broad St.
P.O. Box 12117
Richmond, VA 23241

Dear Ms. Harris:

Thank you for responding to Richmond Redevelopment and Housing Authority's Request for Proposal No. RRHA-RFP-2020-01 for Project Based Vouchers (PBVs) issued on January 10, 2020. In response to your proposal, I am pleased to inform you that you have been awarded 12 PBVs for Cameo St. located at 107 Duval St., Richmond, VA 23220. The term of the PBVs will be for 15 years subject to the execution of a HAP contract. This commitment is in effect from March 4, 2020 - September 3, 2022 (30 months) subject to your satisfactory compliance with the terms and conditions stipulated in the aforementioned RFP.

In addition, if you indicated in your response to the aforementioned RFP that your project was applying for Low Income Housing Tax Credits (LIHTCs) through VHDA, then this commitment is contingent upon the receiving an allocation of Low Income Housing Tax Credits no later than December 31, 2020.

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

Sincerely,

Arthur J. Walker, CPPO
Director of Procurement and Contract Administration

cc/ file



Ralph S. Northam
Governor

R. Brian Ball
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

Erk C. Johnston
Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

August 14, 2020

Mr. Lee Alford
Director of Multifamily Real Estate
Better Housing Coalition
23 West Broad Street, Suite 100
Richmond, VA 23220

Proposed Affordable & Special Needs Housing Financing Offer

Dear Mr. Lee Alford,

I am pleased to advise you that the Department of Housing and Community Development has approved the request of Better Housing Coalition's Cameo Street Apartments project. Included with this letter are the proposed rate and terms granted to you in accordance with your project description.

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

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

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

We are looking forward to working with you to provide affordable housing, if you have any questions as it pertains to this offer please feel free to contact me. I can be reached at:

Michael.haas@dhcd.virginia.gov or 804-371-7116.

Sincerely,

Michael Haas
Housing Finance Program Manager



Virginia Department of Housing and Community Development | Partners for Better Communities
Main Street Centre | 600 East Main Street, Suite 300 Richmond, VA 23219
www.dhcd.virginia.gov | Phone (804) 371-7000 | Fax (804) 371-7090 | Virginia Relay 7-1-1

Terms & Conditions
Cameo Street Apartments
14 W. Jackson Street
Richmond, VA 23220

The Department of Housing and Community Development herein referred to as DHCD ("Lender"), has approved the request of Better Housing Coalition, whom is listed as the developer of the project and herein is referred to as ("Developer") regarding Cameo Street Apartments ("Project"), which will be owned by Cameo Street, LLC. ("Owner"). Please review the following information as it pertains to your project:

The Project is awarded \$800000 of Virginia Housing Trust Fund funding. Please review the following proposed terms and conditions carefully, and notate any questions you may have for DHCD staff:

Interest Rate	2% Fixed
Loan Repayment Period	240 months (Interest Only)
Loan Amortization Schedule	360 months
Mandatory Compliance Period	240 months (from date of loan closing)
Extended Affordability Period	120

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

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

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



Final permanent close shall commence upon receipt of acceptable title, survey & environmental reports, closing of other required funding, customary due diligence, rehab completion (if applicable), rental occupancy report, and issuance of COO/CSC by a local building official. Impediments to loan closing include, but are not limited to: failure to complete construction/renovations, due diligence items, or rent & occupancy requirements for the project in accordance with HOME, NHTF, and/or VHTF requirements (whichever is applicable).

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

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

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

Sincerely,

Department of Housing & Community Development

Michael Haas: Housing Finance Program Manager

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

_____ (Authorized Officer)

By: _____ Its: _____

Date: _____





October 19, 2020

John Bolton
Better Housing Coalition
23 West Broad Street,
Richmond, VA 23241

Dear Mr. Bolton

I am pleased to advise you that VCC Bank (the "Lender") has approved the Better Housing Coalition (the "Borrower") for an acquisition loan of \$1,113,000 (the "Loan") and a \$500,000 Capital Magnet grant for Cameo Street. The Lender's commitment to make the Loan is subject to the terms and conditions set forth in this Commitment Letter (this "Commitment").

1. **Basic Terms**

- a. **Borrower:** Cameo Street LLC.
Coborrower: Better Housing Coalition
- b. **Loan Amount:** \$1,113,000
- c. **Loan to Value:** The loan amount will not exceed the lesser of 70% loan to value or 70% loan to cost. If the loan term exceeds six months the borrower will be required to paydown the outstanding principal loan balance to 65% LTV.
- d. **Interest Rate:** Interest on the Loan will be fixed at 5.63% per annum. This fixed rate is good for 90 days from the date of this letter. If the loan is not closed in 90 days from the date of this letter, the bank reserves the right to reset rate.

Interest on the Loan shall be computed based on the actual number of days the Loan is outstanding as if each year were composed of 360 days. In the event of default under any of the Loan Documents (as hereinafter defined), the interest rate on the Loan may increase by 5% but only after 30 days of the default not being resolved.

- e. **Loan Commitment Fee:** 2.0% of the amount of the Loan funds used (maximum fee will be \$22,260). **One-half (\$11,300) of this fee has been paid and is non-refundable.** The remainder of the commitment fees shall be due and payable at Loan closing. Fees shall be considered fully earned and non-refundable once paid.

- f. **Closing Date:** Closing of these Loans shall take place no later than Dec 31st 2020.
- g. **Collateral:** 1st Deed of Trust
- h. **Closing Conditions:**

Appraisal, VCC Bank named as user
Phase I ESA, VCC Bank named as user
Interest reserve, loan agreement to state refunding requirements due to delay
Fully executed participation agreement with Atlantic Union Bank for \$3mm of the construction loan.
Construction loan commitment
Evidence of 2020 LIHTC award from VHDA

- 2. **Maturity and Term of Loan:**
The loan term is 6 months with interest only monthly payments. The loan monthly payments will be drawn from the interest reserve account.

On the Maturity Date as originally set, the entire amount outstanding under the Loan (including principal, interest, fees, late charges and all other amounts) shall be repaid in full. Any payments which are not received by the Lender within ten (10) days of the payment date shall be subject to a late charge of five percent (5%) or \$250, whichever is more.

- 3. **Quality of Documents and Items:** Each document and item required to be submitted to Lender pursuant to this Commitment shall be satisfactory in form and substance to Lender and its legal counsel, in their sole discretion. All legal costs of closing this transaction will be borne by the Borrower and shall be due upon demand.

- 4. **Loan Covenants:**

- (a) **Financial Reporting:** Borrower and/or guarantors to provide tax returns, rent roll, financial statements and global cash flow on an annual basis or as requested by Lender.
- (b) **Prepayment penalty Waived**

Special Capital Magnet Covenants

- (c) 20% of the units shall be occupied by Families at or below eighty percent (80%) of the Area Median Income (AMI), beginning when the Property achieves Initial Occupancy and consisting of the full ten (10) consecutive years thereafter.
- (d) 100 % of the units shall be occupied by Families at or below one hundred twenty (120%) of the Area Median Income (AMI), beginning when the

Property achieves Initial Occupancy and consisting of the full ten (10) consecutive years thereafter.

- (e) The Borrower shall furnish reports to the Lender on an annual basis to confirm compliance with affordability requirements, beginning when the Property is achieves Initial Occupancy and consisting of the full ten (10) consecutive years thereafter.
- (f) Borrower shall ensure necessary deed restrictions, covenants running with the land, or other recordable mechanisms, as applicable, are filed in accordance with 12 C.F.R. § 1807.401, to impose affordability requirements for each property until the exit of that property from the Affordability Period (full ten consecutive years beginning when project is Placed into Service), regardless of any change in property ownership or other restrictions or conditions.
- (g) The Borrower acknowledges that the Property must be Placed into Service within six months of Project Completion.
- (h) The Borrower acknowledges that the Property must achieve Initial Occupancy within 12 months of the Project Completion date.
- (i) The proceeds of the Loan shall be applied solely to Eligible Project Costs as defined in 12. C.F.R. Section 1807.500 and 100% of the total Eligible Project Costs are attributed to Affordable Housing units that meet the affordability qualifications for Eligible-Income Families.

5. **Conditions of Loan:** As conditions precedent to the closing of the Loan, all conditions and requirements in this Commitment must be satisfied to Lender's satisfaction, as determined by Lender in its sole discretion, and Borrower must have provided or caused to be provided to Lender, and Lender must have received, reviewed and found satisfactory, the following:

- (a) **Loan Documents:** Promissory Note with confession of judgement provisions, loan agreement, deed of trust, consents and all such other and further documents as Lender may require (collectively, the "Loan Documents"), duly executed acknowledged and/or sworn to, delivered, recorded and/or filed, upon the terms of this Commitment and containing such representations and warranties and affirmative, negative and other covenants, together with other additional terms and conditions, as Lender may require that are customary in transactions of this type. The loan documents will be prepared by Lender's attorney, Borrower agrees to pay all related expenses.
- (b) **Authority and Capacity:** Evidence of the existence, good standing, authority and capacity of Borrower and Guarantor and their respective constituents and representatives as Lender may require. Borrower's and

Guarantor's organizational documents shall be subject to review by Lender and must be acceptable to Lender.

- (c) **Insurance:** Comprehensive general public liability insurance with Lender as additional insured; and such other or additional insurance, and covering such risk, as Lender shall require in its sole discretion. All policies must be written by insurers, in amounts, with endorsements, and on terms and conditions satisfactory to Lender in its sole discretion.
- (d) **Attorney's Opinion:** Waived
- (e) **Miscellaneous:** Such other evidence, documents, certificates, opinions and items requested by Lender that are customarily provided in loan transactions of this type or necessary in connection with any other requirement of this Commitment.

6. General Conditions

- 6.1 **Termination of Commitment:** Lender may terminate this Commitment if there shall have occurred, in the opinion of Lender, from the date of Borrower's application for the Loan (a) any material adverse change in the ownership or capital structure of Borrower or Guarantor, (b) any material adverse change with respect to the security for the Loan or other source of repayment of the Loan, (c) any material adverse change in the business or financial condition of Borrower or the Guarantor, or any other change in any facts submitted to Lender in connection with the Commitment, (d) any damage to the Real Property, the improvements thereon or any of the other assets of the Borrower by fire, casualty or other cause or any asset of the Borrower is taken in condemnation or other like proceeding, or any such proceeding is pending at the time of Closing, or (d) any pending or threatened litigation by or against Borrower, any affiliate of Borrower, or Guarantor.
- 6.2 **Participation or Sale of Loan:** Lender may sell the Loan or undivided ownership or participation interests in the Loan and disclose such financial and other information regarding Borrower, and/or Guarantor which Lender may deem necessary in connection therewith. Borrower and Guarantor shall execute, acknowledge and deliver any and all instruments reasonably requested by Lender in connection with the foregoing.
- 6.3 **Applicable Laws:** This Commitment and the Loan Documents shall be governed entirely by Virginia law and applicable United States Federal Law.
- 6.4 **Entire Agreement:** The terms set forth above represent the entire understanding between Borrower and Lender with respect to the subject

matter of this Commitment, and this Commitment supersedes any prior and contemporaneous agreements, commitments, discussions and understandings, oral or written, with respect to the subject matter hereof. This Commitment will terminate upon, and not survive, the execution and delivery of the Loan Documents.

- 6.5 **Controlling Agreement:** This Commitment is hereby limited so that in no event shall the interest taken, reserved, contracted for, charged or received exceed the maximum non usurious amount permitted by applicable law; and any provision possibly to the contrary shall be automatically reformed and the interest payable automatically reduced to such maximum amount, without necessity of execution of any amendment or new document.
 - 6.6 **Assignment:** This Commitment cannot be assigned by Borrower without Lender's prior written approval, nor shall any third party rely hereon or be deemed a party benefited hereby.
 - 6.7 **Costs:** Borrower shall pay on demand all out-of-pocket costs and expenses incurred by Lender or Borrower, in connection with the Loan (pre-and post-closing), including but not limited to, all costs associated with documenting, recording, closing; and all fees and expenses of Lender's outside legal counsel and the cost of any other reports deemed necessary by Lender, whether or not the Loan closes. Such costs and expenses incurred at or prior to the Loan Closing shall be due and payable prior to the closing of the Loan. The provisions of this paragraph shall survive the expiration or termination of this Commitment.
7. **Acceptance; Termination:** This Commitment shall terminate automatically without notice at 5:00 pm Richmond, VA local time on or before October 23, 2020, unless before that time Borrower has accepted it by delivering a signed original of this letter to the Lender at its address shown at the beginning of this Commitment. If all the conditions of this Commitment have not been satisfied or if Lender and Borrower are unable to agree on and reduce to writing all of the Loan Documents in a manner satisfactory to Lender by the Closing Date, time being of the essence, or if there has been any misrepresentation or any material error in anything submitted to Lender regarding the Loan or pursuant to any other provision hereof, the Lender shall have the option to terminate this Commitment. Upon any such termination, the Lender shall have no obligation to extend any credit hereunder, the Lender shall be entitled to retain all fees and other sums paid by Borrower to the Lender in connection with this Commitment, and all obligations hereunder shall terminate except as specified in Section 6.7.

THE LOAN DOCUMENTS WILL REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES

Sincerely,

VCC Bank

Will Martin

Will Martin
Assistant Vice President, Loan Officer
804-939-6176

The undersigned accept and agree to all of the terms and conditions of the foregoing Commitment.

For the Borrower:

Name: Cameo Street, LLC

By:  (SEAL)
Name: Greta J. Harris


Title: President & CEO

10/20/2020

Date

For the Coborrower:

Name: Better Housing Coalition

By:  (SEAL)
Name: Greta J. Harris

Title: President & CEO

10/20/2020

Date



March 4, 2020

Ms. Greta Harris
President and CEO
Better Housing Coalition
P.O. Box 12117
Richmond, VA 23241-0117

Dear Greta,

I am pleased to report that the *Hilton W. Goodwyn and Hallie J. Goodwyn Fund* at the Community Foundation for a greater Richmond has made available \$100,000 in grant funding to the Better Housing Coalition. Grants from the *Goodwyn Fund* are to support capital projects of the Better Housing Coalition to create high-quality affordable housing to the Richmond community. In 2020, these funds shall be allocated to predevelopment of the Cameo Street development, a new multi-family development in the Jackson Ward neighborhood. This grant distribution is scheduled to go out in early April.

In the meantime, please let me know your questions. I look forward to seeing you soon and learning about the progress of the Better Housing Coalition and the results of this year's distribution. The Community Foundation is pleased to be a partner with the Better Housing Coalition.

Best wishes,

A handwritten signature in black ink, appearing to read "Molly". The signature is fluid and cursive, written over the printed name.

Molly Dean Bittner
Sr. VP, Philanthropic Services