

AN ORDINANCE No. 87-59-54

ADOPTED MAR 23 1987

To authorize Robert C. Bobb, City Manager, for and on behalf of the City of Richmond, to execute an Owner/Grantee Agreement by and among the City of Richmond, Richmond Redevelopment and Housing Authority and Newport Manor Limited Partnership, concerning the Housing Development Grant.

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Patron - City Manager

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Approved as to form and legality  
by City Attorney

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THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Robert C. Bobb, City Manager, for and on behalf of the City of Richmond, is authorized to execute an Owner/Grantee Agreement by and among the City of Richmond, Richmond Redevelopment and Housing Authority and Newport Manor Limited Partnership, concerning the Housing Development Grant accepted by the City pursuant to Ordinance No.

- , adopted March 23, 1987, such agreement to be in substantially the form attached to the draft of this ordinance and to be approved as to form by the City Attorney.

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

OWNER/GRANTEE AGREEMENT

THIS OWNER/GRANTEE AGREEMENT (this "Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 1987, by and between THE CITY OF RICHMOND, VIRGINIA, a body corporate and politic acting by and through its City Manager ("Grantee"); RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia ("RRHA") and NEWPORT MANOR LIMITED PARTNERSHIP, a Virginia limited partnership ("Owner").

W I T N E S S E T H :

WHEREAS, Grantee has applied for, and has been selected to receive, a Housing Development Grant ("HDG") from the United States Department of Housing and Urban Development ("HUD") pursuant to Section 17 of the United States Housing Act of 1937, as amended ("the Act"), and the HDG regulations promulgated thereunder and contained in 24 CFR 850, for the purpose of acquisition, development and construction of a 200 unit residential rental housing project known as Newport Manor Apartments, to be located in the City of Richmond, Virginia ("the Project"), on the property described in Exhibit A hereto; and

WHEREAS, Grantee has entered into a Grant Agreement with HUD dated December 23, 1986 ("the Grant Agreement"), setting forth the terms and conditions of the HDG: and

WHEREAS, Owner has been provided, and hereby acknowledges receipt of, a copy of the executed Grant Agreement and agrees to abide by the terms and provisions of the Grant Agreement; and

WHEREAS, Grantee and Owner, pursuant to the terms of the Grant Agreement, desire to enter into this Agreement to provide for the use of the HDG in the form of a loan ("the Second Mortgage Loan"), the amount of Four Million Ninety-Three Thousand Nine Hundred and 00/100 Dollars (\$4,093,900.00) upon the terms and conditions hereinafter set forth; and

WHEREAS, the Project will be subject to a permanent first mortgage in the amount of Six Million Six Hundred Fifteen Thousand Dollars (\$6,615,000) ("the First Mortgage") made to Owner by Trustee pursuant to a Trust Indenture dated as of the date of this Agreement (such trustee being hereinafter called "Trustee");

WHEREAS, Grantee, RRHA and Owner desire (a) that Grantee agree to pay to RRHA all portions of the HDG as and when received by Grantee, (b) that RRHA assume Grantee's obligations under the

Grant Agreement, (c) that RRHA, on Grantee's behalf, make the Second Mortgage Loan to Owner and (d) that RRHA enforce certain rights as to Owner which are provided in this Agreement.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto desire to be legally bound to the terms and conditions contained herein and hereby covenant and agree as follows:

## ARTICLE I

### Loan

Section 1.1. Second Mortgage Loan. RRHA, on Grantee's behalf, shall make the Second Mortgage Loan to Owner in the sum of Four Million Ninety-Three Thousand Nine Hundred Dollars (\$4,093,900.00) or such other amount as may be received by Grantee from the United States Department of Housing and Urban Development pursuant to the Grant Agreement (Project No. VA 001HG401) for the purpose of making a loan to Owner. The original principal amount of the Second Mortgage Loan shall hereinafter be called "the Loaned HDG". Repayment of the Second Mortgage Loan shall be secured by a deed of trust and security agreement (the "Second Mortgage") and by Owner's promissory note (the "Note") in the forms provided pursuant to the Loan Agreement (as hereinafter defined). When the Second Mortgage Loan is repaid to RRHA, RRHA shall forthwith pay to Grantee the entire amount of the Loaned HDG; provided, however, that RRHA shall retain all interest, when paid, on the Second Mortgage Loan to compensate RRHA for assuming its obligations under the Grant Agreement and carrying out its responsibilities under this Agreement.

Section 1.2. Loan Agreement. RRHA and Owner shall enter into a loan agreement (the "Loan Agreement") governing the terms and conditions of the Second Mortgage Loan and the covenants, obligations and agreements of Owner regarding the Second Mortgage Loan and the construction and operation of the Project. The rights and remedies of RRHA under the Loan Agreement shall be in addition to the rights and remedies provided herein and the covenants, agreement, representations and warranties of Owner under the Loan Agreement shall be in addition to the covenants, agreements, representations and warranties contained in this Agreement. In the event of any conflict between the terms of the Loan Agreement and the terms of this Agreement, the Loan Agreement shall govern. In the event of any conflict between the Grant Agreement and the Loan Agreement, the Grant Agreement shall govern.

Section 1.3. Funding the Second Mortgage Loan. The Second Mortgage Loan shall be funded by RRHA pursuant to the terms and conditions of the Loan Agreement. Disbursements shall be made at a rate not in excess of the approved leveraging ratio for the Project, as specified in Section 1.01(f) of the Grant Agreement. RRHA shall not be obligated to disburse any portion of the Second Mortgage Loan until such time as Grantee has received and paid to RRHA the HDG funds in the amount of the Second Mortgage Loan to be disbursed.

Section 1.4. Term. The Second Mortgage Loan from RRHA shall be due and payable in full on the date which is twenty-two (22) years from the date of this Agreement (the "Maturity Date").

Section 1.5. Interest. Interest shall accrue throughout the term of the Loan on the outstanding principal balance of the Second Mortgage at the simple interest rate of one half of one percent (0.5%) per annum and shall be payable to RRHA semi-annually during each year during the Project Term unless due and payable earlier pursuant to the terms of the Loan Agreement, the Note or the Second Mortgage, on the first day of each October and April. The principal sum of the Second Mortgage Loan, and all accrued but unpaid simple interest thereon, shall be due on the Maturity Date.

Section 1.6. Non-Recourse. Notwithstanding anything to the contrary herein, neither Owner nor any general or limited partner of Owner shall be personally liable for the payment or performance of any of Owner's obligations to Grantee or RRHA except as may be provided in the Loan Agreement, the Note or the Second Mortgage.

## ARTICLE II

### Project

#### Section 2.1. Project Commencement, Completion and Operation.

a. Grantee hereby assigns to RRHA, and RRHA hereby assumes, all of Grantee's obligations under the Grant Agreement; provided, however, that (1) notwithstanding this assignment, HUD shall continue to have the right to enforce the Grant Agreement against Grantee in accordance with its terms and (2) Grantee agrees to cooperate with RRHA and Owner in obtaining prompt funding of the HDG under the Grant Agreement and to pay over all HDG funds received under the Grant Agreement to RRHA. Without limiting the foregoing, RRHA, on Grantee's behalf, and Owner shall respectively carry out Grantee and Non-Grantee Activities as set forth respectively in Exhibits B and C of the Grant Agreement and Grantee and Owner shall cooperate with RRHA to

enable RRHA to fulfill its obligations hereunder and under the Grant Agreement. It is expressly agreed that performance of all obligations of Owner under this Agreement shall be made directly to RRHA

b. Development of the Project shall be in conformance with the provisions of the Loan Agreement and shall commence no earlier than April 1, 1987, and shall be completed no later than March 31, 1989.

c. Owner agrees to acquire, construct and develop the Project with twenty (20) two-bedroom and twenty (20) three-bedroom units available for occupancy by lower income families ("Lower Income Families"), as defined in Section 3(b)(2) of the Act (the "Low Income Units").

d. The Project shall be developed in accordance with applicable state and local building codes or, in the absence of these codes, with a nationally recognized model building code.

e. Upon completion of the Project and resolution of any findings of the final audit pursuant to the Grant Agreement, Owner shall submit to RRHA, a written certification, executed by an authorized representative of Owner, stating that all Project related activities required to be completed by Owner in accordance with the Non-Grantee Activities, as described in Exhibit D of the Grant Agreement, have been completed consistent with the terms therein, and specifying the date of completion and the actual cost to Owner of labor, materials, and necessary services for the construction and physical improvements in the format prescribed by HUD. The certification shall have attached to it a statement from Owner that all the information in the certification with respect to Non-Grantee Activities, as they relate to Owner's obligations, are complete and accurate.

f. The Project shall be managed in accordance with the provisions contained in the Loan Agreement and in Article IV hereof.

### ARTICLE III

#### Representations

##### Section 3.1. Representations of Owner

a. In accordance with 24 CFR 850.151 and Section 5.03 of the Grant Agreement, Owner covenants, represents and warrants:

(1) That it will not convert any units in the Project to condominium ownership or to a form of cooperative ownership

that is not eligible to receive an HDG during the period beginning on the date on which units in the Project are available for occupancy and continuing for the twenty-year period beginning from the date on which fifty percent (50%) of the total units in the Project are occupied (the "Project Term").

(2) That during the Project Term it will not discriminate against prospective tenants on the basis of the receipt of or eligibility for housing assistance under any federal, state, or local housing assistance program or, except for units specifically identified in this Agreement or the Loan Agreement as designated for the elderly, on the basis that they have a minor child or children who will be living with them.

(3) That each of the Lower Income Units shall be occupied or available for occupancy, through Owner's best efforts, by a Lower Income Household during the Project Term.

(4) That it will lease the Lower Income Units only to tenants who are lower income at the time of initial occupancy.

(5) Families' incomes and Lower Income Unit rents shall be determined in accordance with the HDG regulations at 24 CFR 850, Subpart F.

(6) That it will reexamine the income of all Lower Income Families at least once a year. In the event the tenant occupying a lower income unit ceases to be lower income, the Owner agrees to take the appropriate action described in HDG regulations at 24 CFR 850.151(f).

b. In accordance with 24 CFR 850.151 and Section 5.03 of the Grant Agreement, Owner agrees:

(1) That rents for Lower Income Units will be limited by HDG regulations 24 CFR 850.151, subject to the approval of RRHA, as more specifically described by the rent mechanism (the "Rent Mechanism") contained in Exhibit B hereto and made a part hereof.

(2) That rents for the Lower Income Units will be recalculated at least annually, in accordance with the terms of the Rent Mechanism, and that Owner will submit the first rent recalculation to RRHA no later than sixty (60) days prior to initial occupancy.

(3) That it has established procedures for determining tenant eligibility and actions to be taken with respect to ineligible tenants. A copy of these tenant eligibility procedures (the "Resident Eligibility") are attached as Exhibit C hereto and made a part hereof.

(4) That it has obtained or has reasonable assurance that it will obtain all federal, state and local government approvals and reviews required by law to be obtained for the Project.

(5) That no action will be taken which may have an adverse environmental effect on the Project until Grantee has completed an environmental assessment of the Project in accordance with 24 CFR 58.

(6) That it will comply with Title VIII of the Civil Rights Act of 1968, 42 USC 3601-19 and implementing regulations; Executive Order 11063 and regulations at 24 CFR Part 107; Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and regulations at 24 CFR 1; the Age Discrimination Act of 1975, 42 USC 6106-07; Section 504 of the Rehabilitation Act of 1973, 29 USC 794 and implementing regulations at 24 CFR Part 81; Executive Order 11246 and regulations at 41 CFR Chapter 60; and the requirements at Section 3 of the Housing and Urban Development Act of 1968.

(7) That it will market units in the Project in accordance with the HUD-approved Affirmative Fair Housing Marketing Plan, Form HUD-935 and all fair housing and equal opportunity requirements. The Affirmative Fair Housing Marketing Plan is marked as Exhibit D to this Agreement.

(8) That local residency requirements will not be permitted. Local residency preferences not inconsistent with the Affirmative Fair Housing Marketing Plan shall be permitted. Persons expected to reside in the community as a result of current or planned employment will be considered local residents.

(9) That all management and maintenance functions will be performed in compliance with applicable equal opportunity requirements.

(10) That any duly authorized representative of HUD and RRHA shall, upon reasonable notice and at reasonable times during normal business hours, have access to any portion of the Project.

(11) To keep and maintain any necessary books, accounts, reports, files, records and other documents relating to the receipt and disbursement of funds from RRHA. Furthermore, any duly authorized representative of HUD or the Comptroller General of the United States shall, upon reasonable notice and at all reasonable times, have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents in accordance with HUD guidelines, until the completion of all close-out procedures with respect to the HDG and the final

settlement and conclusion of all issues arising out of the HDG, in accordance with Article XIII of the Grant Agreement.

(12) That no transfer of funds under this Agreement shall be or be deemed to be an assignment of HDG funds, and that Owner shall neither succeed to any rights, benefits or advances of Grantee or RRHA under the Grant Agreement, nor attain privileges, authorities, interest, or rights in or under the Grant Agreement.

(13) That the Davis-Bacon Act, 40 USC 276a-276a-5 and the Contract Work Hours and Safety Standards Act, 40 USC 327-333 apply to the Project. Owner agrees to comply with the Davis-Bacon and Contract Work and Safety Standards Acts and regulations issued thereunder and with other Federal laws and regulations pertaining to labor standards.

(14) That consistent with Executive Orders 11625, 12432 and 12138 to implement and maintain the Minority and Women Owned Business Development Plan attached as Exhibit E hereto during construction of the development of the Project.

(15) That nothing in this Agreement shall preclude the federal government from enforcing the Grant Agreement, civil rights statutes, or other provisions of law that apply to the HDG program.

c. In accordance with Section 5.01 of the Grant Agreement, RRHA, on behalf of Grantee, agrees to monitor Owner's performance and to enforce the Grant Agreement.

#### ARTICLE IV

##### Enforcement of Certain Covenants

Section 4.1. Enforcement of Certain Covenants. The provisions contained in Section 3.1a(1) through (6) shall be enforced by means of a declaration of protective covenants and restrictions (the "Declaration") dated as of the date hereof between Owner and RRHA to be recorded in the Clerk's Office of the Circuit Court of the City of Richmond, Virginia, and shall remain in effect for the Project Term, unless terminated earlier pursuant to the terms of the Declaration.

ARTICLE V

Default/Remedies

Section 5.1. Default/Remedies. A breach of the covenants, agreements, representations and warranties of Owner hereunder [including without limitation the representations and warranties contained in 3.1(a)(1) through (b)] shall entitle RRHA to exercise its rights and remedies provided in the Loan Agreement, the Note and the Second Mortgage (subject to any applicable notice and cure periods) and shall entitle RRHA and Grantee to exercise whatever other rights and remedies it may have at law or in equity.

ARTICLE VI

Miscellaneous

Section 6.1. Submissions and Notices. All submissions of evidentiary materials required herein, including notices, requests, approvals, waivers, rejections, agreements, disclosures, consents and objections of any kind made pursuant to this Agreement, shall be in writing, delivered to the offices of the addressee as follows:

- a. To Grantee: City of Richmond  
c/o Mr. Robert C. Bobb, City Manager  
Room 201, City Hall  
900 East Broad Street  
Richmond, Virginia 23219
- b. To RRHA: Richmond Redevelopment and Housing  
Authority  
901 Chamberlayne Avenue  
Richmond, Virginia 23220  
Attention: Executive Director
- c. To Owner: Newport Manor Limited Partnership  
4 Faneuil Hall Marketplace  
Boston, Massachusetts 02109  
Attention: Mr. Murray Movitz
- d. To Trustee: United Virginia Bank  
919 East Main Street  
Richmond, Virginia 23227  
Attention: Corporate Trust  
Department, or to any successor  
Trustee, if addressed to it at  
its principal corporate trust  
office

e. To HUD:

U.S. Department of Housing and  
Urban Development  
Development Grant Division  
451 Seventh Street, S.W.  
Washington, D.C. 20410

Section 6.2. Successors Bound. This Agreement shall be binding upon and inure to the benefit of Grantee, RRHA, Owner, and their respective successors and assigns, except that Owner, its successors or assigns, may not succeed to any rights, benefits or interest of Grantee or RRHA.

Section 6.3. Remedies Not Impaired. No delay or omission by Grantee or RRHA in exercising any right or remedy available under this Agreement shall impair any such right or remedy or constitute a waiver of any default or acquiescence therein.

Section 6.4. Cumulative Remedies. All rights and remedies of Grantee or RRHA under this Agreement and under the Loan Agreement, the Note and the Second Mortgage shall be cumulative.

Section 6.5. Severability. The validity of an article, section, subsection, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, subsections, clauses or provisions hereof.

Section 6.6. Entire Agreement. This Agreement supersedes any prior oral or written agreements between the parties hereto with respect to the subject HDG and Project.

Section 6.7. Execution and Counterparts. This Agreement may be executed in counterparts. All such counterparts shall be deemed to be originals and together shall constitute one and the same instrument.

Section 6.8. Amendment of this Agreement. This Agreement, or any part hereof, may be amended only in writing, executed by Owner, Grantee and RRHA. However, any amendment that cancels or reduces any developmental or financial obligations of Owner by more than ten percent (10%), changes the sites or character of any development activity, or increases the time for performance by Owner by more than thirty (30) days, must be submitted to HUD for approval.

Section 6.9. Disclaimer of Relationships. Owner acknowledges that the obligation of Grantee and RRHA is limited to providing Second Mortgage Loan Funds in the manner and on the terms set forth in this Agreement. Nothing in this Agreement, nor any act of either Grantee, RRHA, Owner or HUD, shall be deemed or construed by either of them, or third persons, to

create any relationship of third party beneficiary, principal and agent, limited or general partnership or joint venture, or of any association or relationship whatsoever involving the Grantee or RRHA.

Section 6.10. Conflict of Interest. No person (1) who is an employee, agent, consultant, officer or elected or appointed official who exercises or has exercised any functions or responsibilities with respect to assisted development activities or (2) who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain personal interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Exceptions may be granted to this prohibition under the HDG regulations at 24 CFR Part 850.

Section 6.11. Waiver by Grantee and RRHA. RRHA, and Grantee with RRHA's prior written consent, reserve the right to waive, and shall have the exclusive right to waive, at RRHA's sole discretion and to the extent permitted by law, any requirement or provision under this Agreement, except that the Secretary of HUD's approval shall be required for any such waiver of an HDG requirement. No act by or on behalf of Grantee or RRHA shall be, or be deemed to be, or construed to be, any waiver of any such requirement or provision, unless the same be in writing, signed by Grantee or RRHA and expressly stated to constitute such waiver.

Section 6.12. Governing Law. This Agreement, as it may affect the rights, remedies, duties, and obligations of Grantee and RRHA, shall be governed by and construed in accordance with Federal law and the laws of the Commonwealth of Virginia. The parties agree that any action for breach of this Agreement or enforcement of any of the provisions hereof shall only be brought in the Federal District Court for the Eastern District of Virginia or the Circuit Court of the City of Richmond, Virginia, or any other appropriate court of comparable jurisdiction and venue.

IN WITNESS WHEREOF, the parties hereto have executed this Owner/Grantee Agreement as of the day and year first above written.

GRANTEE:

CITY OF RICHMOND, VIRGINIA,  
a body corporate and politic

By:

\_\_\_\_\_  
Robert C. Bobb,  
Its City Manager

RRHA:

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

By: \_\_\_\_\_  
Its Chairman

OWNER:

NEWPORT MANOR LIMITED PARTNERSHIP,  
a Virginia limited partnership

By: WMC Realty Corp.,  
a Massachusetts corporation  
and a general partner  
authorized to bind the  
limited partnership

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A

Description of the Project

ALL those certain two tracts, pieces, lots or parcels of land, together with all improvements thereon and appurtenances thereunto belonging, lying and being in the City of Richmond, Virginia, on the northern and southern lines of Carnation Street northeast of its intersection with Midlothian Turnpike, designated as Parcel '5' and Parcel '6' together containing 20.909 acres, and more particularly described by reference to a plat dated January 11, 1985, by J.K. Timmons & Associates, Inc., Engineers and Surveyors, Richmond, Virginia, styled "Plat Showing Two Parcels of Land Lying on the North and South Sides of Carnation Street, City of Richmond, Virginia", a copy of which plat is attached to and recorded with the next referenced deed, as follows:

BEGINNING at a rod set in the north right of way line of Carnation Street, said rod being 862.19 feet north of the north right of way line of Atmore Road; thence along a curve in the north right of way line of Carnation Street, the radius of which is 990 feet, a distance of 526.44 feet to a rod; thence N 21° 23' 19" E 627.69 feet to a rod; thence S 82° 16' 27" E 417.65 feet to a rod; thence S 37° 18' 31" E 605.43 feet to a rod; thence S 57° 33' 58" W 740.95 feet to the rod marking the point of beginning; containing 12.694 acres and designated as Parcel '5'.

and

BEGINNING at a rod north of and being near the intersection of Carnation Street and Warwick Road on the west right of way line of Carnation Street; thence along a curve in the north right of way line of Warwick Road, the radius of which is 20 feet, a distance of 31.42 feet to a rod; thence along the north right of way line of Warwick Road S 76° 51' 55" W 20 feet to a rod; thence along a curve in the north right of way line of Warwick Road, the radius of which is 263.07 feet, a distance of 126.63 feet to a rod; thence along the north right of way line of Warwick Road N 75° 33' 20" W 215.13 feet to a rod; thence along the north right of way line of Warwick Road N 63° 03' 18" W 125.23 feet to a rod; thence along the north right of way line of Warwick Road N 47° 21' 20" W 207.60 feet to a rod; thence along the north right of way line of Warwick Road N 55° 06' 20" W 109.17 feet to a rod; thence along a property line N 21° 23' 19" E 576.49 feet to a rod on the south right of way line of Carnation Street; thence along a curve in the south right of way line of Carnation Street, the radius of which is 900 feet, a distance of 772.06 feet to a rod; thence along the south right of way line of Carnation Street S

13° 08' 05" E 237.13 feet to the rod marking the point of beginning, containing 8.215 acres and designated as Parcel '6'.

BEING the same real estate conveyed to Newport Manor Limited Partnership, a Virginia limited partnership, by deed from Tower Investment Company, a Virginia general partnership, recorded in the Clerk's Office of the Circuit Court of the City of Richmond, Virginia, in Deed Book 103, page 1552.

## Exhibit B

### Grantee Rent Mechanism

1. Section 17 of the United States Housing Act of 1937 and the HDG regulations promulgated thereunder and contained in 24 CFR Part 850 restrict rents charged for Lower Income Units during the Project Term to not more than thirty percent of the adjusted income of a family whose income equals fifty percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families. Section 17 and the Grant Agreement require the Grantee to review and approve rents proposed by the Owner to be charged for Lower Income Units. The Grantee also is required to assure that the type and number of units specified in section 1.01(e)(2) of the Grant Agreement are occupied or available for occupancy by lower income families during the Project Term. The Grant Agreement requires the Grantee to have established a Rent Mechanism to implement the above responsibilities of the Grantee.

2. The Grantee acknowledges that HUD periodically will determine the income limits for Lower Income other than Very Low Income families, as well as for Very Low Income families. Based upon the Very Low Income limits, the HUD occupancy standards limiting the number of persons in each bedroom size category (i.e. 0-Br, 1-Br, etc.), the prototypical adjustments to income established by HUD, and the Owner's estimate of the monthly cost of utilities and other essential housing services (utility allowance) to be paid for directly by the Tenant, the Owner will determine the maximum monthly net rent for each Lower Income unit. In calculating this amount the Owner will follow the format contained in Exhibit M-5 of the Housing Development Grant Program Application Packet dated June 1984.

3. Except as noted below, the initial rent schedule for Lower Income units and the utility allowances shall be as contained in the Application approved by HUD.

4. The Owner shall recalculate the rent schedule and the utility allowances and submit the recalculated schedule and allowances to RRHA for review not later than 60 days prior to initial occupancy. The rent schedule recalculation shall be based upon the most recent HUD determination of the Very Low Income limits and prototypical adjustments. The utility allowances shall approximate a reasonable consumption of utilities by an energy-conscious household of modest circumstances.

5. In estimating reasonable consumption levels, the Owner shall use, as appropriate, the following sources of information on the cost of utilities and services:

- (a) Consumption data on residential use of utilities obtained from utility suppliers or other sources (such as public service commissions, real estate and property management firms, state and local agencies).
- (b) Engineering calculations based on technical data concerning energy requirements of appliances and equipment.
- (c) Data obtained from energy audits.

6. In establishing allowances, the Owner shall take into account relevant factors affecting consumption including:

- (a) The equipment and functions intended to be covered by the allowance.
- (b) The climatic location of the project.
- (c) The size of the dwelling units and the number of occupants per dwelling unit.
- (d) Type of construction and design of the housing project.
- (e) The energy efficiency of Owner-supplied appliances and equipment.
- (f) The physical condition, including insulation and weatherization, of the housing project.
- (g) Temperature levels intended to be maintained in the unit during the day and at night, and in cold and in warm weather.
- (h) Temperature of domestic hot water.
- (i) If a utility (e.g. garbage collection) is charged on a fixed price basis, the full amount of the price shall be incorporated into the allowance.

7. RRHA shall review the Owner's calculations of the maximum monthly net rent and utility allowances, and the information sources used.

8. If RRHA determines that the calculations are correct and the utility allowances are reasonable, the Owner shall be so notified.

9. If RRHA fails to notify the Owner within 60 days after receiving the rent schedule including the utility allowances that the schedule and/or allowances are not approved, they shall be deemed approved if they are within the permissible maximum allowed by the Grant Agreement.

10. In the event that the Owner is notified of RRHA disapproval, the revised schedule and utility allowances shall not be used. Both parties shall promptly meet to resolve their differences.

11. Subsequent to the initial recalculation of the rent schedule and utility allowances, the maximum monthly net rent for each Lower Income unit may be recalculated by the Owner and submitted to RRHA for review whenever the HUD determination of Very Low Income limits, applicable person limits by unit size, or prototypical adjustments to income are revised. Utility allowances may be revised if there is a rate change. In any event, the Owner shall recalculate and submit to RRHA for review and maximum monthly rent to be charged each Lower Income unit, and the utility allowances, twelve months from the date of the first recalculation by the Owner, and annually, thereafter, on this date.

12. Any increase in rents for Lower Income units is subject to the provisions of outstanding leases. In any event, the Owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.

Exhibit C

Tenant Eligibility

1. The Owner may lease a Lower Income unit only to a tenant that is a Lower Income household at the time of its initial occupancy.

2. In order to determine whether a prospective tenant or a tenant is a Lower Income household, the Owner shall ascertain the annual income of the family. Annual income is the anticipated total income from all sources to be received by the family head and spouse and by each additional member of the family, including all net income derived from assets, for the 12-month period following the effective date of initial determination or reexamination of income, exclusive of income that is temporary, nonrecurring or sporadic, as defined in 24 CFR 813.106(c) and exclusive of certain other types of income specified in 24 CFR 813.106(d). As necessary, the Owner will consult with the HUD field office to obtain advice and guidance with respect to income determinations.

3. The Owner must verify all income, assets, household characteristics, and circumstances that affect eligibility. Written verification directly from the source must be obtained when possible. The Owner must maintain documentation of all verification efforts for at least three years after the effective date of the determination.

4. In verifying income the Owner shall to the extent feasible:

(a) Maintain a checklist for each tenant, documenting verification efforts and tracking progress.

(b) Develop standard verification forms for all information that must be verified. Such forms should: (1) explain why the information is being requested; (2) contain the tenant's authorization to release information; and (3) ask specific questions that will solicit the specific information required.

(c) Ask applicants/tenants to sign two copies of each verification form.

(d) Send self-addressed, stamped envelopes with the request for verification.

(e) Make personal contacts with large employers and public agencies from whom a large number of tenants receive income.

(f) Give the family an opportunity to explain any significant differences between the amounts they reported on their application and amounts reported on third-party verifications.

5. The Owner shall reexamine the income of each tenant household living in Lower Income units at least once a year.

6. The Grantee shall review the Owner's verification efforts at least annually to determine whether eligible families are occupying Lower Income units.

EXHIBIT E

Minority and Women Owned Business Development Plan

Newport Manor Apartments  
VA001HG401  
Richmond, VA

The Grantee and the Project Owner acknowledge that in developing the project it is desirable to obtain the greatest possible participation of responsive and responsible minority and women owned businesses that is consistent with the sound and prudent economic development of the project. The Grantee had developed considerable experience and expertise in furthering this goal through its Human Relations Commission under City Ordinances which are not applicable to this project. The Project Owner has already established itself within the Richmond minority community as a sincere provider of minority employment and business opportunity in its other Richmond projects. The objective of this Minority and Women Owned Business Development Plan is to combine the resources of the Grantee's Human Relations Commission with the needs of the Project Owner and its general contractor to achieve the goal of maximum usage of qualified minority and women owned business in the project.

Responsibilities and roles of each party are as follows:

Human Relations Commission

- Identify companies which are qualified as legitimate minority and women owned business.
- Identify such companies matching the needs of the project as indicated by the Owner.
- Refer all such companies to the Project Owner.
- Assist such companies in preparing proposals for review of the Project Owner including indentifying training for qualified companies who may benefit by it.
- Act as a regional and if necessary national clearing house for referrals and technical advice in pursuing the goal of this plan.

### Project Owner

- Identify project needs including those of the contractor and management company.
- Coordinate and request referrals of qualified companies interested in filling project needs.
- Review proposals from qualified firms using economic, time performance, and quality of work criteria.
- Consistent with sound and prudent development of project, select companies found qualified in an affirmative manor with the goal of this plan in mind.
- Assist the Grantee in monitoring the implementation of this plan by providing information and/or reports as may be requested by the Grantee on efforts undertaken as part of this plan.

This plan will be implemented upon approval of the Grant Agreement by the Grantee, and will be in effect throughout the construction period.

EXHIBIT D

Form Approved  
OMB No. 2535-0027 (Exp. 10/31)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
**AFFIRMATIVE FAIR HOUSING MARKETING PLAN**

COMPLETE FORM AND SUBMIT TO: FAIR HOUSING AND EQUAL OPPORTUNITY DIRECTOR/SPECIALIST,  
AREA/SERVICE OFFICE

1. INTRODUCTION:

The Affirmative Fair Housing Marketing Regulations require that each applicant subject to these Regulations carry out an affirmative program to attract prospective buyers or tenants of all minority and non-minority groups to the housing that the applicant is providing. These groups include Whites (Non-Hispanic) and members of minority groups: Blacks (Non-Hispanic), American Indians/Alaskan Natives, Hispanics and Asian/Pacific Islanders in the Standard Metropolitan Statistical Areas (SMSA) or housing market area who may be subject to housing discrimination on the basis of race, color, religion, sex or national origin.

2. APPLICATION AND PROJECT IDENTIFICATION:

A. APPLICANT'S:		B. PROJECT OR APPLICATION NUMBER VA001HG401	
NAME Winn Development Co.		NUMBER OF UNITS 200	
ADDRESS (Include City, State and ZIP Code) Four Faneuil Hall Marketplace Boston, MA 02109		PRICE OR RENTAL RANGE OF UNITS: FROM \$ 238 TO \$ 500	
TELEPHONE NUMBER (619) 742-4500		D. FOR MULTIFAMILY HOUSING ONLY: <input type="checkbox"/> ELDERLY <input checked="" type="checkbox"/> NON-ELDERLY	
C. PROJECT		E. APPROXIMATE STARTING DATES approx. ADVERTISING 4/87 OCCUPANCY 6/87	
NAME Newport Manor Apts.		F. NAME OF MANAGING/SALES AGENT Winn Management Co.	
LOCATION/ADDRESS (Include City, State and ZIP Code) Carnation Road Richmond, VA		ADDRESS (Include City, State and ZIP Code) Four Faneuil Hall Marketplace Boston, MA 02109	
COUNTY: _____, CENSUS TRACT: _____			

3. TYPE OF AFFIRMATIVE MARKETING PLAN

Project Plan;  Annual Plan (for single family scattered site units). NOTE: A separate Annual Plan must be developed for each type of census tract in which the housing is to be built.  
 Minority Area  White (non-minority) Area  Mixed Area (with 30 % minority residents)

4. DIRECTION OF MARKETING ACTIVITY

Indicate below which group(s) in the housing market area are least likely to apply for the housing because of its location and other factors without special outreach efforts.  
mixed area may require outreach to all  
 White (Non-Hispanic)  Black (Non-Hispanic)  American Indian or Alaskan Native  Hispanic  Asian or Pacific Islander

5. MARKETING PROGRAM:

A. COMMERCIAL MEDIA

Check the media to be used to advertise the availability of this housing.  
 Newspaper(s)/Publication(s)  Radio  TV  Billboard(s)  Other (Specify)

NAME OF NEWSPAPER, RADIO OR TV STATION (1)	RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE (2)	SIZE/ITERATION OF ADVERTISING (3)
Richmond News Leader	Primarily white	display add as r
Richmond Times Dispatched	" "	" "
Richmond Afro-American	Black	" "

B. BROCHURES, SIGNS AND HUD'S FAIR HOUSING POSTER:

(1) Will brochures, leaflets, or handouts be used to advertise?  Yes  No. If yes, attach a copy or submit when available. (2) For project site sign; indicate sign size 4' x 4'; Logotype size 1' x 1'. Attach a photograph of project sign or submit when available. (3) HUD's Fair Housing Poster must be conspicuously displayed wherever sales/rentals and showings take place. Fair Housing Posters will be displayed in the  Sales/Rental Office(s);  Real Estate Office(s);  Model Unit(s);  Other (Specify)

C. COMMUNITY CONTACTS

To further inform the group(s) least likely to apply about the availability of the housing, the applicant agrees to establish and maintain contact with the groups/organizations listed below that are located in the housing market area or SMSA. If more space is needed attach an additional sheet. Notify HUD-FHEO of any changes in this list. Attach a copy of correspondence to be mailed to these groups/organizations. (Provide all requested information.)

**6. FUTURE MARKETING ACTIVITIES (Rental Units Only)**

the block(s) that best describe future marketing activities to fill vacancies as they occur after the project has been initially occupied.

- Newspapers/Publications   
  Radio   
  TV   
  Brochures/Leaflets/Handouts   
  Site Signs  
 Community Contacts   
  Others (Specify) \_\_\_\_\_

**7. ANTICIPATED APPLICANT/OCCUPANCY RESULTS**

Number of units the racial/ethnic mix of occupants anticipated as a result of the implementation of this affirmative marketing plan. Alternatively, percentage the anticipated racial/ethnic mix of the applicant pool expected as a result of marketing activity.)

- White (Non-Hispanic)   
  Black (Non-Hispanic)   
  American Indian or Alaskan Native   
  Hispanic   
  Asian or Pacific Islander  
 (Check one)  
 Applicant Results  
 Occupancy Results

**8. EXPERIENCE AND STAFF INSTRUCTIONS**

Indicate any experience in marketing housing to the group(s) identified as least likely to apply  Yes     No

Indicate training to be provided to staff on Federal, state and local fair housing laws and regulations, as well as this AFHM Plan. Attach a copy of the instructions to staff regarding fair housing.

**9. ADDITIONAL CONSIDERATIONS:**

Winn Management Co. administers 1,100 units of subsidized housing in the Richmond area at this time. All projects are subject to AFHMP's approved rules from the past. All projects meet all open/affirmative housing requirements.

Winn Management Co. operates according to all equal housing/opportunity rules and regulations. Training is provided to all staff to keep them current on all such rules. Training manuals and employer policies are available upon request.

By signing this form, the applicant agrees, after appropriate consultation with HUD, to change any part of the plan covering a multifamily project to assure continued compliance with Section 200.620 of HUD's Affirmative Fair Housing Marketing Regulations.

FOR HUD'S USE ONLY		SIGNATURE OF PERSON SUBMITTING PLAN
APPROVAL BY	DISAPPROVAL BY	
SIGNATURE	SIGNATURE	
NAME (Type or print)	NAME (Type or print)	
TITLE	TITLE	
DATE	DATE	
		NAME (Type or print)
		Murray Movitz
		TITLE AND COMPANY
		Winn Development Co.
		DATE