

INTRODUCED: December 11, 2023

AN ORDINANCE No. 2023-357

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Highland Grove Development Area Cooperation Agreement between the City of Richmond and the Better Housing Coalition for the purpose of providing for the redevelopment of the properties located at 500 Dove Street, 509 Dove Street, 2641 Richmond Henrico Turnpike, and 2651 Richmond Henrico Turnpike and known as Highland Grove in the city of Richmond.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JAN 8 2024 AT 6 P.M.

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 execute a Highland Grove Development Area Cooperation Agreement between the City of Richmond and the Better Housing Coalition for the purpose of providing for the redevelopment of the properties located at 500 Dove Street, 509 Dove Street, 2641 Richmond Henrico Turnpike, and 2651 Richmond Henrico Turnpike and known as Highland Grove in the city of Richmond. The Highland Grove Development Area Cooperation

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: JAN 8 2024 REJECTED: _____ STRICKEN: _____

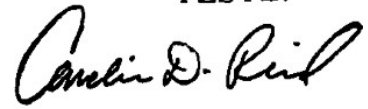
Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

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

APPROVED AS TO FORM:

City Attorney's Office

**A TRUE COPY:
TESTE:**

A handwritten signature in black ink, appearing to read "Carlin D. Reed". The signature is written in a cursive, flowing style.

City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2023-1931

File ID: Admin-2023-1931

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Clerk Waiting Room

Department: Housing And Community Development

Cost:

File Created: 11/20/2023

Subject: Highland Grove Cooperation Agreement

Final Action:

Title:

Internal Notes:

Code Sections:

Agenda Date: 12/11/2023

Indexes:

Agenda Number:

Patron(s):

Enactment Date:

Attachments: Admin-2023-1931 - Draft Ordinance, Admin-2023-1931 - O&R Transmittal Form, Admin-2023-1931 - Highland Grove Cooperation Agreement w/ Exhibits

Enactment Number:

Contact:

Introduction Date:

Drafter: Dominique.McKenzie@rva.gov

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	11/20/2023	Dominique McKenzie - FYI	Notified - FYI	
1	2	11/20/2023	Sherrill Hampton	Approve	11/21/2023
1	3	11/20/2023	Sharon Ebert - FYI	Notified - FYI	
1	4	11/20/2023	Meghan Brown - FYI	Notified - FYI	
1	5	11/20/2023	Sheila White - FYI	Notified - FYI	
1	6	11/21/2023	Jeff Gray	Approve	11/22/2023
1	7	11/21/2023	Lincoln Saunders	Approve	11/30/2023
1	8	12/6/2023	Mayor Stoney	Approve	12/7/2023

History of Legislative File

Text of Legislative File Admin-2023-1931

DATE: November 13, 2023 **EDITION:** 1

TO: The Honorable Members of the City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

FROM: Sherrill Hampton, Director,
Department of Housing and Community Development

RE: **Approval of the Highland Grove Redevelopment Area Cooperation Agreement
and Authorization for the Chief Administrative Officer to Execute the
Agreement**

ORD. OR RES. No.

PURPOSE: This O&R request is to approve the Cooperation Agreement (see **Attachment A**) by and between the City of Richmond (“City”) and Better Housing Coalition (“BHC”) to provide funding of up to \$7,294,000 to facilitate the installation of infrastructure improvements for the development of Highland Grove Phase I and to authorize the Chief Administrative Officer to execute the Agreement and transfer the funds to BHC pursuant to the payment schedule as defined in the Cooperation Agreement.

BACKGROUND:

The proposed development of Highland Grove into a mixed-income community has been a longstanding goal of the City and the Richmond Redevelopment & Housing Authority (“RRHA”). The City has identified the expansion of housing choices and the affordability, accessibility, and availability of safe, quality, and affordable housing for all residents, as a top priority. The City views its collaboration with RRHA and the developer, BHC, as an important catalyst in transforming Highland Grove into a vibrant mixed-income community.

The Highland Grove Project is a development initiative that includes 50 acres of assembled private acquisition, RRHA, and City-owned property in North Richmond. It is part of the revitalization of the former Dove Court Public Housing Complex.

On April 26, 2021, BHC executed an agreement with RRHA to serve as the Master Developer of the Highland Grove subdivision. As the Master Developer, BHC engaged three additional seasoned community development nonprofit organizations to partner in the Highland Grove project: the Maggie Walker Land Trust, project: HOMES, and Richmond Metropolitan Habitat for Humanity. The partners are working collaboratively to construct and sell 122 new, high-quality single-family homes to first-time homebuyers in two (2) phases. The homes will be compatible with the scale, density, and style of those in the adjacent neighborhoods; and a mix of affordable and market-rate homes, targeted to households

with annual incomes of between 50 - 120% of the Area Median Income (AMI). The project will increase access to homeownership and family wealth-building opportunities for low-to-moderate-income individuals and families.

Consistent with its commitment, the City is seeking approval to enter into a Cooperation Agreement (see **Attachment A**) with BHC who purchased the lots from RRHA in September 2022 to fund \$7,294,000 for the installation of infrastructure improvements for the development of Highland Grove Phase 1 which will subsequently result in the construction of 97 new affordable and market-rate for-sale residential units. The funding will be specifically used for the planning, design, engineering, and infrastructure installation activities to support the project.

COMMUNITY ENGAGEMENT: The Highland Grove Development Project is in accordance with the Highland Grove Redevelopment Community Unit Plan (CUP). The CUP was developed by Urban Design Associates in 2019 and adopted by the City of Richmond on May 28, 2019, after a year-long planning process with input from the City Council and administrative agencies, community groups, community leaders, Highland Park residents, and City residents.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: Richmond 300 Goal 14, Mayoral Declaration of an Affordable Housing Crisis, and Highland Grove CUP, along with the adopted Equitable Affordable Housing Plan.

FISCAL IMPACT: No negative impact. The CIP funds are available and ready for disbursement pursuant to the payment schedule in the Cooperation Agreement (see **Attachment A**). There will be additional revenue to the City as it relates to property taxes for any newly created housing units.

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: December 11, 2023

CITY COUNCIL PUBLIC HEARING DATE: January 8, 2024

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: Requesting that the committee assignment be waived.

AFFECTED AGENCIES: Housing and Community Development, PDR, DPW, and DPU

RELATIONSHIP TO EXISTING ORD. OR RES.: Ord. 2023-197

ATTACHMENTS: Proposed Cooperation Agreement (**Attachment A**)

STAFF: Sherrill Hampton, Director, Department of Housing and Community Development - (804) 646-6822

INTRODUCED: December 11, 2023

AN ORDINANCE No. 2023-

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Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING:

AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

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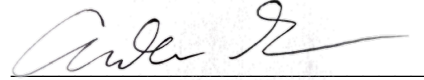
AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

Agreement (See **Attachment A**) shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

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

APPROVED AS TO FORM:

A handwritten signature in dark ink, appearing to be "C. J. [unclear]", is written over a horizontal line.

City Attorney's Office

Attachment A

HIGHLAND GROVE DEVELOPMENT AREA COOPERATION AGREEMENT

This **COOPERATION AGREEMENT** (this “**Agreement**”) is made and entered into on _____, 2023, by and between the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the “**City**”) and the **BETTER HOUSING COALITION**, a Virginia non-profit, non-stock corporation (the “**Developer**”).

RECITALS

- A. The Developer desires to undertake development of the property located at 500 and 509 Dove Street, 2641 and 2651 Richmond Henrico Turnpike in the City of Richmond, Virginia (the “**Site**”), known as Highland Grove (the “**Development Project**”).
- B. The Development Project includes the design, planning, engineering, and construction of certain infrastructure improvements to support the Development Project.
- C. The infrastructure work is in support of the portion of the Development Project known as “Highland Grove Phase 1,” as shown on a final subdivision plat recorded or to be recorded upon receipt of all applicable approvals by the City. The recording of the final subdivision plat for Highland Grove Phase 1 is contingent upon execution of a developer’s agreement (the “**Developer’s Agreement**”) to ensure the completion of all infrastructure work necessary for the development of Highland Grove Phase 1 (the “**Work**”) which includes the construction of 97 affordable and market rate for-sale residential units. The necessary infrastructure work to be completed for Highland Grove Phase 1 is further the subject of a set of construction plans, entitled “Highland Grove Section 1 – Subdivision and Infrastructure Plans,” dated July 18, 2022, with a revision date of December 6, 2022, which is incorporated by reference herein (the “**Plans**”).
- D. The City has appropriated \$7,294,000 to the City’s Highland Grove/Dove Street Redevelopment Capital Improvements Project, for the purpose of providing additional funding for the construction of the 97 residential units of the Development Project.
- E. The purposes of this Agreement are to set forth the respective roles, responsibilities, terms and conditions applicable to all parties with respect to the Infrastructure Project Funds awarded to assist with the Work.

In consideration of the promises and mutual covenants set forth herein, and with the foregoing recitals incorporated herein, the parties hereto, with the intent to be legally bound, hereby agree as follows:

AGREEMENT

ARTICLE I – The Infrastructure Project Funds

1.1 The City agrees to provide Capital Improvement Project (“**CIP**”) funds to the Developer in the amount of Seven Million Two Hundred Ninety Four Thousand Dollars (\$7,294,000) (“**Infrastructure Project Funds**”) in accordance with the provisions of this Agreement, for the purpose of completing the construction of the Work, as shown on the Plans, which includes the installation of infrastructure improvements, including planning, design, engineering, and construction activities, necessary to support the Development Project.

1.2 Authorized Activities. (a) The Developer acknowledges that the Infrastructure Project Funds were financed by the issuance of general obligation bonds of the City of Richmond, and warrants that it will not use the Infrastructure Project Funds for any purpose not authorized by the Virginia Public Finance Act, the Internal Revenue Code, and any other laws, regulations, restrictions, and requirements applicable to such funds.

(b) The Developer shall use the Infrastructure Project Funds solely for the Work, to include design, planning, engineering, and construction of the infrastructure improvements for the Development Project as shown on the Plans. The Developer shall ensure that Infrastructure Project Funds are used only for those costs authorized by Section 15.2-2602 of the Code of Virginia, as amended, to include the cost of construction, the cost of labor, materials, machinery and equipment, the cost of plans and specifications, surveys and estimates of cost, the cost of engineering, legal and other professional services, and expenses incident to the feasibility or practicability of said infrastructure improvement.

1.3 Project Budget and Project Schedule. (a) In addition to the project schedule for the completion of the Work (“**Project Schedule**”) attached hereto and incorporated by referenced herein as Exhibit “A”, the budget for the completion of the Work (“**Project Budget**”) is attached hereto and incorporated by reference herein as Exhibit B.” The Project Schedule and Project Budget shall detail planned expenditures of the Infrastructure Project Funds, and shall be binding upon the Developer. As a condition of receipt of the Infrastructure Project Funds, the Developer shall use commercially reasonable efforts to complete all Work in accordance with the Project Schedule and Project Budget.

(b) Only portions of the Work completed in accordance with the approved Project Schedule and Project Budget for each phase shall be eligible for reimbursement under this Agreement. The Developer may submit a request to the City, in writing, for amendments to the Project Schedule and Project Budget. Any such request shall include an explanation and documentation of the reasons for such request. The City’s Deputy Chief Administrative Officer for Planning and Economic Development may approve amendments to the Project Schedule and Project Budget, pursuant to such requests from the Developer. The Developer may extend any timeline on the Project Schedule for any phase of the Development Project by up to 90 days, once, upon notice to the City

1.4 The Work. The plans and specifications for the Work have been prepared by the Developer, as shown on the Plans, subject to any revisions approved in accordance with this Section. As a condition of reimbursement for any portion of the Work pursuant to this Agreement, the Developer shall ensure that all Work is performed and in compliance with all provisions of the Developer’s Agreement. Only portions of the Work completed in accordance with the Plans shall be eligible

for reimbursement in accordance with this Agreement. Any proposed revisions to the Plans shall be accepted only upon approval by the City's Department of Public Works and Department of Public Utilities, in accordance with the Developer's Agreement and all applicable City Code and Code of Virginia requirements.

1.5 Access to Site. As a condition of receipt of the Infrastructure Project Funds, the Developer shall grant the City reasonable access to the Site and all rights necessary for the City to monitor and review all work in process and that which has been completed. Any such access shall be with no less than forty-eight (48) hours' advance notice to the Developer.

1.6 Affordability Requirements. (a) As condition of receipt of the Infrastructure Project Funds, the Developer shall ensure that, at least 28 of the 97 homes to be constructed as part of Phase I of the Development Project are marketed and sold as affordable homes pursuant to all applicable requirements of the Home Investment Partnerships Program ("**HOME Program**") under 24 CFR 92.254. Such requirements shall include, but are not limited to:

- Developer must identify each of specific 28 units to be designated as subject to the requirements of the HOME Program (the "**HOME Units**");
- The sale price of each HOME Units shall not exceed applicable HOME Program limits (\$323,000 in effect as of the time of sale of any HOME Unit, which limits may be adjusted annually by HUD);
- All HOME Units shall be subject to a minimum 15-year affordability period;
- All purchasers of HOME Units must receive at least \$1,000 in down payment assistance provided through HOME, Inc. or Southside Community Development & Housing Corp. or the Developer or sub-developers after completing a HUD-approved Homebuyers Education and associated Housing Counseling Program.
- All purchasers of HOME Units shall meet all HOME Program income eligibility requirements as verified by the Developer no more than 6 months before the date of closing, and otherwise in accordance with all applicable HOME Program requirements.
- All HOME Units must meet all applicable HUD housing property standards under § 92.251;
- All HOME Units must be the principal residence of the homebuyer and the purchaser must be a first-time homebuyer;
- The Developer shall comply with all applicable resale and recapture provisions pursuant to 24 CFR 92.254 (a)(5), and provide to the City executed copies of all necessary documentation, including, but not limited notes and deeds of trust attaching to the property, the forms for which shall be subject to approval in advance by the City;
- The Developer must provide a completed form consenting the release of information to the City, in a form approved in advance by the City, from each purchaser of a HOME Unit, for the City's use in confirming program compliance.
- The Developer shall otherwise cooperate with the City as necessary to ensure Developer's compliance with all applicable 24 CFR 92.254.

Pursuant to Article X below, all sub-developers associated with the Development Project shall be subject to the above requirements to the extent necessary to ensure compliance with this provision.

(b) This Section 1.6 will survive expiration of the Agreement

ARTICLE II – Funding Commitments

2.1 Appropriation of Funds. Notwithstanding any provision of this Agreement to the contrary the City's obligation to provide Infrastructure Project Funds is subject to appropriation by the City Council of the City of Richmond, Virginia, and the availability of funds. Under no circumstances shall the City's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the City's performance of this Agreement.

2.2 Project Information. As a condition of the receipt of the Infrastructure Project Funds, the Developer shall be bound by the Plans, the Project Schedule and Project Budget. With each request for payment submitted pursuant to Section 2.3, the Developer shall provide the City with updated Project information, including, but not limited to, the following:

- (a) A narrative detailing any changes to the Development Project or proposed use of Infrastructure Project Funds since the initial request for assistance;
- (b) An updated Project Budget, if the Project Budget has changed; and
- (c) An updated Project Schedule, if the Project Schedule has changed.

The City may review such updated Project information to ensure that the Developer and the Development Project remain in compliance with the provisions of this Agreement.

2.3 Payment of Infrastructure Project Funds. The City shall pay to the Developer the Infrastructure Project Funds, without any rights of set-off, recoupment or counterclaim, in accordance with the provisions of this Section. The Infrastructure Project Funds shall be disbursed to the Developer in accordance with the disbursement schedule set forth below, pursuant to requests for payment submitted monthly by the Developer in accordance with this Section. The following information and documentation shall be provided, as a condition of disbursement, with each request for payment:

- i) Documentation of the portion of the Work completed in accordance with the Plans for which reimbursement is requested.
- ii) Documentation of all costs and expenses incurred for the completion of such portions of the Work, for which reimbursement is requested, in the form of a Schedule of Values.
- iii) Documentation demonstrating that all such costs and expenses for which reimbursement is requested are consistent with the Project Budget.
- iv) Documentation of compliance with all applicable federal, state, and local program requirements associated with the source of funds for any disbursement.
- v) Documentation that all costs and expenses for which funds are to be spent are eligible uses of the Infrastructure Project.
- iv) Minutes and sign-in sheets for any resident and community engagement meetings held during the applicable period.
- v) A report and appropriate documentation of the expenditure of all Infrastructure Project Funds previously disbursed to the Developer.
- vi) Arrangements for an on-site inspection to be conducted by the City in advance of the disbursement; and

vii) All other such documentation as may be reasonably requested by the City to ensure compliance with this Agreement.

The Infrastructure Project Funds shall be eligible for disbursement in accordance with the following schedule:

- i. Thirty percent (30%) may be disbursed immediately upon execution of this Agreement.
- ii. Thirty percent (30%) may be disbursed upon fifty percent (50%) completion of construction of the Development Project.
- iii. Thirty percent (30%) may be disbursed upon ninety percent (90%) completion of the Development Project; and
- iv. The final ten percent (10%) will not be eligible for disbursement until the Work is one hundred percent (100%) completed, approved by all applicable regulatory bodies, and accepted by the City pursuant to the Developer's Agreement.

No Infrastructure Project Funds will be disbursed by the City in response to any request for payment unless 1) the Developer has submitted all documentation required pursuant to this Section and otherwise as may be required under this Agreement, and 2) the City has determined, in its reasonable discretion, that the Developer is, in all material respects, compliant with all requirements of this Agreement.

ARTICLE III – Project Fund

3.1 Accounting. The Developer shall prepare financial reports and statements for all financial activity relating to the Infrastructure Project Funds in accordance with generally accepted accounting principles. The Developer may use its accountant to prepare the reports and statements, if it chooses, or the reports and statements may be prepared internally by the Developer. The Developer may include these reports and statements in its regular reports and statements on other activities of the Developer, as well. A financial report for the Development Project should be submitted to the City on a quarterly basis throughout the duration of each phase of the Development Project and detail all expenditures and revenue during the applicable quarter.

ARTICLE IV – COMMUNITY BENEFITS

4.1 Goals. By entering into this Agreement, the Developer agrees to include the following community benefit goals (“**Community Benefits**”) for itself and its agents, consultants, contractors and subcontractors:

1. Construction Management companies, general contractors and subcontractors shall not be precluded from using union personnel, and all construction management companies, general contractors, and subcontractors shall:
 - Pay at a minimum of \$15.00 per hour or the prevailing wage rate for the City of Richmond as determined by the U.S. Secretary of Labor under the provisions of the Davis-Bacon Act, 40 U.S.C. § 276 et seq., as amended, to each laborer, workman, and mechanic employed on the Development Project (whichever is higher).
 - Participate in apprenticeship programs that have been certified by the Department of Labor and Industry or the U.S. Department of Labor; and

- Give consideration or preference to an individual's status as an honorably discharged veteran of the armed forces of the United States in employment on the Development Project, provided that such veteran meets all the knowledge, skills, and eligibility requirements for the available position
- 2. Agree to the extent permitted by law and regardless of the existence of a labor agreement, that the Developer will use commercially reasonable efforts to require its consultants, contractors and subcontractors to pay to each worker employed on the Development Project, at a minimum, \$15.00 per hour or the prevailing wage rate for the City of Richmond as determined by the U.S. Secretary of Labor under the provisions of the Davis-Bacon Act, 40 U.S.C.S. § 276a, as amended (whichever is higher).
- 3. Agree (i) to participate in job training and outreach programs within the City of Richmond to identify opportunities to secure the skills needed for all phases of the Development Project, and to employ individuals having such job skills; (ii) that all opportunities for employment in connection with the Development Project shall be communicated to the City's Office of Community Wealth Building (OCWB) to coordinate recruitment efforts with the OCWB; and (iii) that the Developer and its contractors and subcontractors will use commercially reasonable best efforts in the commercially ordinary timing for hiring in the Development Project to (a) participate in job fairs and information sessions in each City Council District of the City on an appropriate date with respect to the staffing needs of the Development Project, (b) participate in outreach programs that target neighborhoods with the highest concentrations of poverty, (c) work with willing workforce development teams and training providers (including the Community College Workforce Alliance) to conduct a comprehensive training program, (d) create ongoing hiring opportunities to benefit students in public schools of the school division administered by the School Board of the City of Richmond ("**Richmond Public Schools**") through recruitment, training and internship programs, (e) participate in construction and trades job fairs and (f) place job advertisements with multiple media outlets, including all newspapers with a print circulation in the City of Richmond.
- 4. To the extent permitted by law and without establishing preferences for Virginia residents over non-Virginia residents, the Developer will use commercially reasonable efforts to require all developers, construction management companies, general contractors, and subcontractors to set a goal to achieve the following targets regarding hiring, such that residents of the City of Richmond comprise the following, provided that such residents meet all of the knowledge, skills and eligibility requirements for the available position:
 - Thirty percent (30%) of all newly hired construction laborers to work on the Development Project by the parties are residents of the City of Richmond;
 - Fifty percent (50%) of all newly hired construction skilled tradespersons to work on the Development Project by the parties are residents of the City of Richmond; and

5. Agree to submit and follow a Minority Business Enterprises (MBEs) and Emerging Small Businesses (ESBs) Plan, which shall include commercially reasonable good faith efforts to achieve a goal of not less than 40% minority business enterprise and emerging small business participation in the Development Project. For purposes of this Section the terms "minority business enterprise" and "emerging small business" have the meanings ascribed to them by Section 21-4 of the Code of the City. The Developer shall submit a quarterly report to the City's Office of Minority Business Development (OMBD) on associated MBE/ESB activities, including dollar amounts, firms and/or business entities and vendors throughout the duration of the Development Project.

4.2 Goals. The City and the Developer acknowledge that the above-described Community Benefits are the initial goals of the Development Project, and adjustment of these goals during the Development Project may be appropriate. The Developer may submit to the City, in writing, a request to adjust the Community Benefits, provided that any such request shall detail the reasons for any requested adjustment and include documentation in support of such request sufficient for the City to evaluate it. The CAO will, in the CAO's reasonable discretion, approve or deny the requested adjustment of the Community Benefit, and shall issue a written response to the Developer indicating such approval or denial within ten (10) days of the receipt of such request.

ARTICLE V – SECTION 3

5.1 By entering into this Agreement, the Developer, for itself and for its contractors and subcontractors, agrees to implement Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. Section 1701u and the regulations promulgated at 24 C.F.R. Part 75 (Section 3), to the greatest extent feasible and allowable by law. Nothing in this Agreement shall be construed as placing any obligations or liabilities on the City regarding Section 3. The Developer shall submit a quarterly report on the applicable Section 3 activities for the duration of the Development Project. For purposes of Section 9.3, the implementation of Section shall be considered a "Community Benefit."

ARTICLE VI – RECORDS

6.1 Maintenance of Records. The Developer shall maintain records of the cost for the Work pursuant to generally accepted accounting principles, and in accordance with the Virginia Public Records Act, all applicable federal requirements, and such other methods as the City may require. The Developer shall retain all invoices, checks, and other records showing billing and payment for materials, equipment, and labor relating to the Work; shall maintain books of account with respect to the Work; and shall require its consultants, contractors, and subcontractors to maintain similar records.

6.2 Access to Records and Audit. The Developer and its consultants, contractors, and subcontractors shall, at reasonable times and, subject to the provisions of Section 6.3 of this Agreement to Section 2-187 of the Code of the City, upon prior request of at least forty-eight (48) hours during the progress of the Work, afford the City access to the records described in Section 6.1 ("**Maintenance of Records**") and any other records related to this Agreement and the determination of the cost thereof, wherever located, for such examination and audit by the City or its agent as the City may desire (such examination and audit to be conducted at the City's sole cost

and expense). The City, at its cost, may make copies of any records that the City has the rights under this Agreement to access, examine, and audit.

6.3 Audit by City Auditor. The Developer acknowledges that Infrastructure Project Funds may be funded by an appropriation by the City Council of the City of Richmond, Virginia. Pursuant to Section 2-187 of the Code of the City, the Developer shall be subject to periodic audits by the City Auditor, on demand and without notice, of solely its finances and expenditures of all Infrastructure Project Funds appropriated by the City Council. In addition, the Developer shall afford the City access to all records relating to the expenditure of monies from the Infrastructure Project Funds, wherever located, for such examination and audit by the City as the City may desire (such examination and audit to be conducted at the City's sole cost and expense). The Developer shall afford the City the opportunity, at the City's sole cost and expense, to make copies of the records that the City has the rights under this Section to access, examine, and audit. The Developer shall ensure that the requirements of this Section are made binding on any consultants, contractors, and subcontractors of the Developer.

6.4 Public Disclosure. The Developer for itself and its consultants, contractors and subcontractors acknowledge and agrees that this Agreement and any other records furnished, prepared by or in the possession of the City or its agents are subject to the retention and disposition requirements of the Virginia Public Records Act and the public disclosure requirements of the Virginia Freedom of Information Act.

ARTICLE VII – REQUIRED REPORTING

7.1 Reporting. The Developer shall:

- A. Maintain detailed records regarding all expenditures of the Infrastructure Project Funds. The Developer shall submit the financial reports required pursuant this Section and provide all information required thereunder. If the City provides a financial reporting template based upon federal guidance or requirements, or otherwise at the City's discretion, the Developer shall submit all financial reports required by this section in the form of such template.
- B. The Developer, no later than the 10th day of each March, June, September and December following the date of execution of this Agreement shall provide the City with written reports relating to MBE/ESB and Section 3 activities. In addition, general written progress reports in a format provided by the City upon execution of this Agreement shall be provided monthly and due no later than the 15th of each month.
- C. Provide an annual report no later than December 1, 2023, and each December 1 thereafter, throughout the term of this Agreement, providing a narrative description of the Development Project and expenditure of the Infrastructure Project Funds. The Developer shall include in each narrative description photographs pertaining to the Development Project (if available).
- D. Complete any additional forms or reports and provide any additional information that may be reasonably required by the City.

- E. Maintain all books, records, and other documents relating to this Agreement for five (5) years following expiration of this Agreement.
- F. Not disclose any protected health information to the City and shall abide by the Health Insurance Portability and Accountability Act of 1996, as amended, and other applicable laws, rules, and regulations regarding such information.
- G. Contractually obligate all subrecipients to abide by the same reporting requirements.

7.2 Additional Materials. Within ten (10) business days of execution of this Agreement and before the City provides any payment hereunder using Infrastructure Project Funds, the Developer shall furnish the City with all the information identified in Article II, Section 2.2.

7.3 All reports and required additional information required to be submitted to the City pursuant to this Article VII should be forwarded to the attention of:

Sherrill Hampton, Director
City of Richmond
Department of Housing and Community Development Department
Main Street Station
1500 East Main Street, Suite 300
Richmond, VA 23219
or Sherrill.Hampton@rva.gov

ARTICLE VIII – INSURANCE

8.1 The Developer will for itself and shall require any consultants, contractors, and/or subcontractors performing work contemplated herein to maintain the following insurance in accordance with the requirements of this Section 8.1: Commercial General Liability Insurance in an amount of not less than \$1,000,000.00 combined single limit. The contract shall contain a provision that it shall not be terminated or otherwise allowed to expire prior to 30 days after written notice to that effect is received by the Developer, provided that a shorter notice period may be accepted with the concurrence of the City. Approved insurance coverage shall be kept in full force and effect, without expense to the City, always during the term of this Agreement.

8.2 Certificates of Insurance. At the time the City signs this Agreement or at the time the Developer signs any applicable contract with a consultant or contractor, whichever is later, the Developer shall furnish the City with an original, signed certificate of insurance evidencing the above coverage.

ARTICLE IX – INDEMNIFICATION

9.1 Generally. The Developer shall defend, hold harmless and indemnify the City, its officers, its employees and its agents from and against any and all actions, awards, causes of action, claims, costs, damages, expenses, judgments, liabilities, losses and suits (including costs relating to litigation and reasonable attorneys' fees) arising out of the performance of the Work contemplated herein, as well as any and all actions, awards, causes of action, claims, costs, damages, expenses,

judgments, liabilities, losses and suits (including costs relating to litigation and reasonable attorneys' fees) arising out of, caused by or resulting from errors, omissions, negligent acts or intentional acts of the consultant or contractor, its officers, its employees, its agents, its subcontractors and its suppliers. Notwithstanding the foregoing, in no event shall the Developer be obligated to indemnify the City for losses or liabilities due to the City's own negligence, gross negligence or willful misconduct. This Section 9.1 will survive expiration of the Agreement.

9.2 Regulatory Compliance. If the Developer or any contractor, consultant, or agent thereof violates laws or regulations that govern the Work contemplated herein, the Developer shall defend, hold harmless and indemnify the City against any fines or penalties or both that result from such violation. To the extent that such violation is the result of the negligence or other actionable conduct of the Developer, or any contractor, consultant, or agent thereof, Developer shall defend, hold harmless and indemnify the City against any third-party claims, suits, awards, actions, causes of action or judgments, including, but not limited to, all reasonable attorneys' fees and costs incurred thereunder, that result from such violation. This Section 9.2 will survive expiration of the Agreement.

9.3 Community Benefits. The Developer acknowledges that it is voluntarily agreeing to provide the Community Benefits, as defined in Articles IV and V. The Developer warrants that it or its agents, consultants, contractors, or subcontractors, will independently analyze the legal basis for its, or their, selected means and methods of performance and implementation of each Community Benefit to ensure that it, or they, do not engage in any conduct inconsistent with local, state, or federal law in such means and methods of performance and implementation. In addition, all other requirements of Article IX ("**Indemnification**"), the Developer shall, indemnify, hold harmless, and defend City from and against any claims and liabilities arising out of, caused by, or resulting from the performance of the Community Benefits by the Developer, its agents, or its contractors. The Developer shall release City, its officers, employees, agents, and volunteers from and against all losses, liabilities, claims, damages, costs, and expenses (including, but not limited to, court costs and attorneys' fees) that the Developer may suffer, pay, or incur caused by, resulting from, or arising out of the performance and implementation of the Community Benefits. This Section 9.3 will survive expiration of the Agreement.

ARTICLE X – SUB-DEVELOPERS

10.1 The Developer has disclosed to the City its intent to enter certain contractual arrangements with certain sub-developers, pursuant to which such sub-developers shall, on behalf of the Developer, be responsible for the development of certain portions of the Development Project, in accordance with and subject to the terms and conditions of this Agreement. The Developer shall ensure that any agreement to be entered into by and between the Developer and any such sub-developer shall include a requirement that the Developer shall be bound by all applicable requirements of this Agreement, including but not limited to the requirements of Articles I, II, IV, V, VI, VII, VIII, IX, X, XII, and XIII, and (ii) such contractual agreement shall in no way relieve the Authority of its obligations under this Agreement.

ARTICLE XI – INTENTIONALLY OMITTED.

ARTICLE XII – TERMINATION

12.1 Termination of Agreement. The City, upon delivery of at least thirty (30) days written notice to the Developer in accordance with Section 13.10 of this Agreement, may terminate this Agreement for cause. Upon such termination, the City shall have no further obligation to pay any portion of the Infrastructure Project Funds not yet expended or obligated for expenditure by the Developer.

12.2 Remedies. In addition to all other remedies that may be available pursuant to applicable law, in the event that the Developer violates or otherwise fails to comply with any provision of this Agreement and such violation or failure cannot be remedied, or, if such violation or failure can be remedied and such violation or failure continues uncured for more than thirty (30) days after the Developer's receipt of written notice thereof from the City (or, if such violation or failure cannot reasonably be cured within such 30-day period, such 30-day period shall be extended for so long as is reasonably required for the Developer to cure such violation or failure provided the Developer is diligently pursuing efforts to complete such cure), the City may withhold any and all Infrastructure Project Funds not previously paid by the City to the Developer, terminate this Agreement, and require the Developer to return Infrastructure Project Funds already received not expended in compliance with this Agreement.

ARTICLE XIII – MISCELLANEOUS PROVISIONS

13.1 Captions. All section titles or captions in this Agreement are for convenience of reference only. They should not be deemed to be part of this Agreement or to in any way define, limit, extend, or describe the scope or intent of any provisions of this Agreement.

13.2 Compliance with Laws. The Developer shall obtain all necessary governmental approvals and permits and shall perform such acts as are necessary to affect the compliance with all laws, rules, ordinances, statutes, and regulations of any governmental authority applicable to the completion of the Work and shall ensure the same compliance by its consultants, contractors and subcontractors.

13.3 Counterparts. This Agreement may be executed by the City and the Developer in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same Agreement.

13.4 Entire Agreement. This Agreement contains the entire understanding between the City and the Developer with respect to the subject matter of this Agreement and supersedes any prior understandings and written or oral agreements between them with respect to such subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between the City and the Developer relating to the subject matter of this Agreement that are not fully expressed in this Agreement.

13.5 Governing Law and Forum Choice. All issues and questions concerning the construction, enforcement, interpretation and validity of this Agreement, or the rights and obligations of the City and the Developer in connection with this Agreement, shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction that would cause the application of the laws of any jurisdiction

other than those of the Commonwealth of Virginia. All disputes, claims and causes of action arising out of or in connection with this Agreement, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the City of Richmond, Virginia.

13.6 Modifications. This Agreement may be amended, modified and supplemented only by the written consent of both the City and the Developer preceded by all formalities required as prerequisites to the signature by each party of this Agreement, which may include approval by the City Council for the City of Richmond. The Developer shall provide in writing the rationale for any requested modification of this Agreement and include the following information: (a) cover letter and narrative detailing the proposed change(s) and its impact to the Project Budget and Project Schedule; and (b) a revised Project Schedule and/or a revised Project Budget, as applicable.

13.7 No Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties hereto; in no event may this Agreement or any of the rights, benefits, duties or obligations of the Developer be assigned, transferred or otherwise disposed of without the prior written consent of the other, which consent neither party shall be obligated to give.

13.8 No Joint Venture. The terms and conditions of this Agreement shall not be construed or interpreted in any manner as creating or constituting the City as a partner or joint venture with the Developer or as making the City liable for the debts, defaults, obligations or lawsuits of the Developer or its assigns, consultants, contractors or subcontractors.

13.9 No Third-Party Beneficiaries. Notwithstanding any other provision of this Agreement, the City and the Developer hereby agree that: (i) no individual or entity shall be considered, deemed or otherwise recognized to be a third-party beneficiary of this Agreement; (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City and the Developer; (iii) no individual or entity shall obtain any right to make any claim against the City or the Developer under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity. For purposes of this Section, the phrase "individual or entity" means any individual or entity, including, but not limited to, individuals, tenants, sub-tenants, contractors, subcontractors, vendors, sub-vendors, assignees, licensors and sub-licensors, regardless of whether such individual or entity is named in this Agreement.

13.10 Notices. All notices, offers, consents, or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given or made if delivered personally, by messenger, by recognized overnight courier service or by registered or certified U. S. mail with return receipt requested, and addressed to the address of the intended recipient at the following addresses:

A. To the City:

Chief Administrative Officer

City of Richmond
900 East Broad Street, Suite 201
Richmond, Virginia 23219

B. To the Developer: Better Housing Coalition
23 West Broad Street, Suite 100
Richmond, Virginia 23220
Attention: Greta Harris

With a copy to: Williams Mullen
200 South 10th Street
16th Floor
Richmond, Virginia 23219
Attention: Allison Domson

Either party may change any of its address information given above by giving notice in writing stating its new address to the other party.

13.11 Authorization to Act. The CAO, or a designee thereof, is authorized to act on behalf of the City under this Agreement.

13.12 Authority to Execute. The Developer represents that the Developer's signatory is duly authorized by the Developer to enter into this Agreement and thereby bind the Developer to this Agreement's terms and conditions.

SIGNATURES ON FOLLOWING PAGE

WITNESS the following signatures.

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

By: _____
J.E. Lincoln Saunders
Chief Administrative Officer

Approved as to Form:



Senior Assistant City Attorney

BETTER HOUSING COALITION

By: _____
Greta Harris, CEO

Exhibit List

Exhibit A - Project Schedule

Exhibit B - Project Budget

Exhibit A

Highland Grove Section 1 - Complete Site

F. G. Pruitt, Inc.

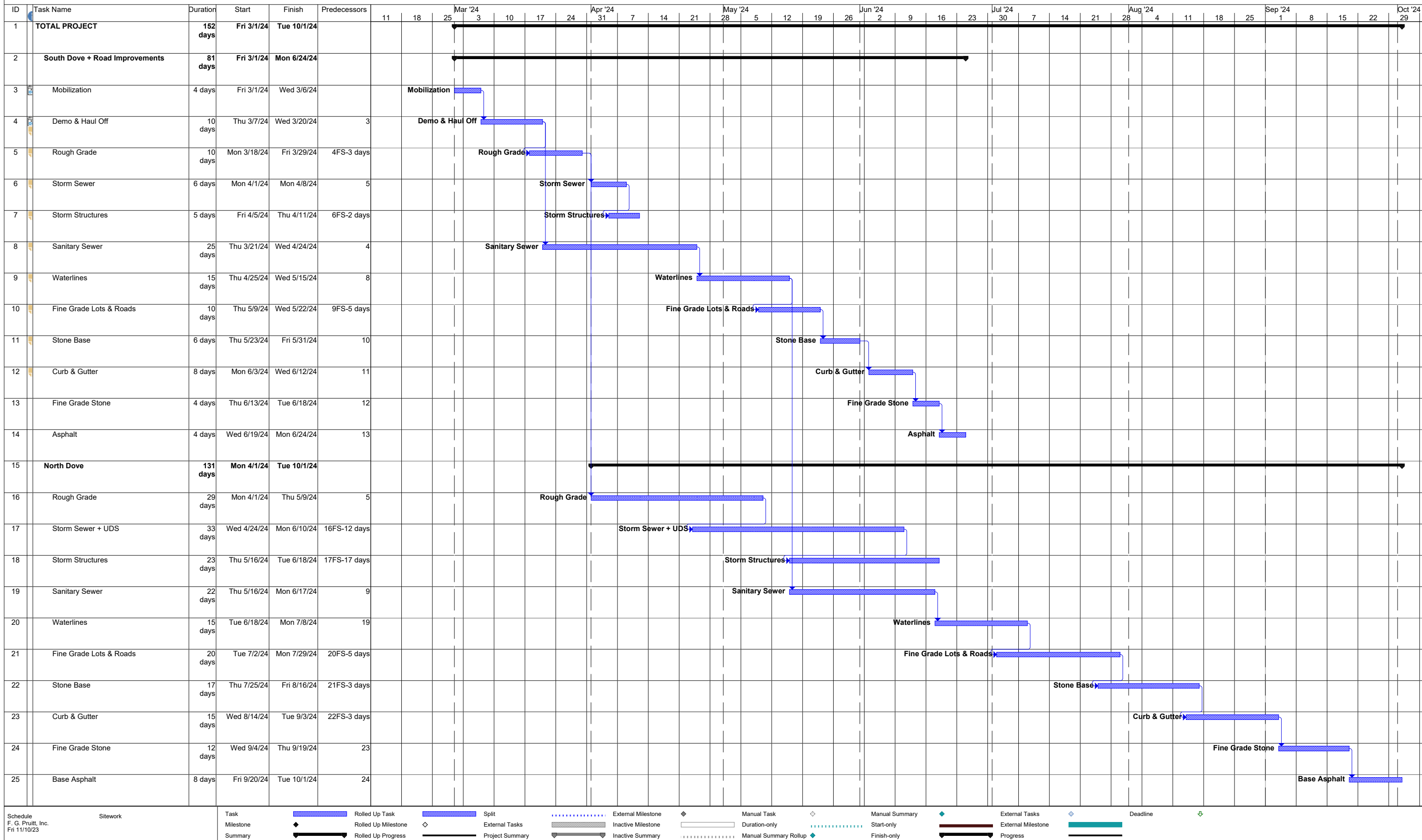


Exhibit B

HIGHLAND GROVE DEVELOPMENT BUDGET											
City of Richmond, Virginia											
09.01.2023 BHC (Rev. 08.02.2023) REV 08.07.2023 Richmond DPW											
LAND DEVELOPMENT PRO FORMA					PHASE I - 97 Lots						
SOURCES		Developer Funds		City/CIP Funds							
				Budget	Available Balance						
		BHC Capital Contribution/Lot Sales	\$4,858,600								
		CIP FY 17 - RRHA (Balance of City funds previously transferred; info per RRHA)			\$4,415,000	\$3,814,754					
		CIP FY 24 (Prior year available; per Adopted CIP FY24-28, pg. 61)			\$2,552,000	\$2,552,000					
		CIP FY 24 (FY24 Adopted CIP Budget \$542,000)			\$542,000	\$542,000					
		CIP FY 24 (FY24 Adopted CIP Budget amendment in process; \$4,200,000 increase)			\$4,200,000	\$4,200,000					
		ARPA 21 (ARPA Allocation per Ordinance No. 2021-291; adopted Oct 25, 2021)			\$5,500,000	\$5,500,000					
		CIP FY 25 (Planned, not yet adopted; funds may only be spent if Council adopts FY25 CIP)			\$1,841,000	\$1,841,000					
		TOTAL BUDGET:			\$19,050,000						
		TOTAL SOURCES (AVAILABLE FUNDS):		\$4,858,600		\$18,449,754	\$23,308,354				
USES		Non-CIP Eligible		CIP Eligible							
CONSTRUCTION (HARD COSTS)	Construction Costs (S. Castonguay email 7.28.23 provided construction cost breakdown)				\$9,713,370			Construction Hard Cost Sub- Total:	Cost estimate updated per 9/12/23 email (REV 08/01/2023) Removed from proforma (REV 08/07/2023) Removed from proforma (REV 08/07/2023) Confirmed this does not include cost associated with proposed public streets/lights. Public streetlight cost included in Row 20 (REV 08/01/2023) Removed, escalation considered in Row 20 (REV 08/07/2023)		
	Trails & Open Space (5k/unit) (need estimate confirmation from BHC)				\$0						
	Amenities: Play Equip, Comm, Garden, Learn Sta., etc. (need est confir from BHC)	\$300,000			\$0						
	Power/Telcom/City Light Removal/Relocation (need est confirmation, BHC or Timmons)				\$250,000						
	Unsuitable Soils, Abandoned Underground Tanks/Utilities (5% of HC) (incl in Constr Costs)				\$0						
	Traffic Control, MOT (2% of HC) (included in construction costs)				\$0						
	Hard Cost Escalation (3.5% of HC) (not included in construction costs)				\$0						
	Hard Cost Contingency (5%; unforeseen field conditions, change orders, etc.)				\$441,999	\$10,737,087					
	SOFT COSTS	Construction Administration (CS eagle)	\$50,000			\$195,108					Revised to the estimated remaining soft costs for Section 1 (REV 08/07/2023)
		Construction Inspection/Materials Testing (6% of HC)				\$585,325					
Architecture/Land Planning, Design, Survey (15% of HC) (prior soft costs paid from RRHA funding)					\$24,540						
BHC Fund Administration (2.5% of Fund)		\$490,000									
RRHA FUND Administration (3% of ARPA/CIP 2022 & CIP 2023/24)					\$165,000						
Land Acquisition		\$635,000									
Grounds Maintenance/Security		\$100,000									
HOA Administration		\$75,000									
Permits (3% of HC) (permits as related to construction activities)					\$331,718		Estimate updated (REV 08/01/2023)				
Real Estate Taxes		\$135,000									
COOPERATION AGREEMENT (Jan 9, 2019)											
CONSTRUCTION (HARD COSTS)	RRHA FUND Administration (3% of ARPA/CIP 2022 & CIP 2023/24)										
CONSTRUCTION (HARD COSTS)	Land Acquisition	\$635,000									
CONSTRUCTION (HARD COSTS)	Grounds Maintenance/Security	\$100,000									
CONSTRUCTION (HARD COSTS)	HOA Administration	\$75,000									
CONSTRUCTION (HARD COSTS)	Permits (3% of HC) (permits as related to construction activities)										
CONSTRUCTION (HARD COSTS)	Real Estate Taxes	\$135,000									
CONSTRUCTION (HARD COSTS)	Title & Recording (\$2k/lot)	\$194,000									
CONSTRUCTION (HARD COSTS)	Legal Fees related to P&S Agreements & transfer (\$2k/lot)	\$194,000									
CONSTRUCTION (HARD COSTS)	Developer Fee (\$25k/lot)	\$2,425,000									
CONSTRUCTION (HARD COSTS)	Construction Loan Fee, Inspections (1% of HC)	\$100,000									
CONSTRUCTION (HARD COSTS)	Interest Reserve	\$110,000									
CONSTRUCTION (HARD COSTS)	Insurance (1% HC) (insurance as obtained by construction contractors; included in constr costs)				\$0		Included in Construction Costs				
CONSTRUCTION (HARD COSTS)	E&S Bond (bond as required for construction activities)				\$185,000						
CONSTRUCTION (HARD COSTS)	Marketing	\$50,000									
		TOTAL USES	\$4,858,000		\$11,892,060	\$16,750,060					
		Project Funds Balance (total sources less total uses)	\$600,600		\$6,557,694		Available for Section 2				
VERTICAL DEVELOPMENT PRO FORMA											
Implemented by Highland Grove Partners (not BHC); estimated to begin Fall 2024											
SOURCES											
		Bank Construction Financing	\$39,000,000								
		Construction Subsidies (City of Richmond/Commonwealth of VA/Philanthropy)	\$3,450,000								
		TOTAL SOURCES	\$42,450,000								
USES											
		Lot Acquisitions	\$4,858,600								
		Soft Costs	\$5,000,000								
		Construction Hard Costs with Overhead Fees	\$28,169,530								
		Developer Fees	\$2,816,953								
		TOTAL USES	\$40,845,083								
		Development Contingency (total sources less total uses)	\$1,604,917								
		% of TDC	2.79%								
TOTAL DEVELOPMENT COSTS (Land & Vertical Development)				\$57,595,143							

Unit and AMI Details

Model	Unit Count	Unit Sizes	Total Sq. Ft.	Hard Cost + Overhead Fees	Lot Acquisitions	Total
A - Tri		18 2BR 1,58A / 3BR 2BA	1,050	\$245,000	\$95,400	\$637,200
A - Du		14 2BR 1,58A / 3BR 2BA	1,050	\$245,000	\$40,000	\$559,400
B		18 2BR 2,58A / 3BR 3BA	1,344	\$283,650	\$40,000	\$1,011,650
C		14 2BR 2,58A / 3BR 3BA	1,344	\$283,645	\$50,000	\$786,600
D		13 3BR 2,58A / 4BR 3,58A	2,172	\$345,500	\$50,000	\$730,600
E		20 2BR 2BA / 3BR 2BA	1,500	\$340,000	\$40,000	\$1,124,000
Total	97					\$4,858,600

AMI Targets - Phase I	Unit Count	Estimated Subsidies	Total Subsidies
80% and Under	28	\$75,000	\$2,100,000
81% - 120%	22	\$40,000	\$880,000
120% - 150%	47	\$10,000	\$470,000
Total	97		\$3,450,000