

MEMORANDUM OF UNDERSTANDING
CITY OF RICHMOND
AFFORDABLE HOUSING LOAN PROGRAM

THIS MEMORANDUM OF UNDERSTANDING (“**MOU**”), dated as of _____, 2023, is entered into by and among the City of Richmond, Virginia (“**City**”), having an address of 900 E. Broad St., Richmond, VA 23219, and Local Initiatives Support Corporation (“**LISC**”), a New York not-for-profit corporation, having a mailing address at P.O. Box 14009, 1021 Hioaks Road, Richmond, VA 23225. The City and LISC may each be referred to herein as a “**Party**” or collectively as the “**Parties**” to this MOU, as applicable.

BACKGROUND

WHEREAS, the City Council in 2022 adopted its Equitable Affordable Housing Plan with the goal to preserve 700 units of existing affordable housing and to produce at least 10,000 units of new affordable housing in the City of Richmond by 2030 for the benefit of low- and moderate-income persons; and

WHEREAS, the City has adopted a 5-year Capital Improvement Program (CIP) budget in FY24 that includes the funding of \$50,000,000 over the next five years for the production of at least 5,000 units of preserved or new affordable housing for the benefit of low- and moderate-income persons to be known as its Equitable Affordable Housing Strategy; and

WHEREAS, to assist in achieving these goals, LISC has proposed the Affordable Housing Loan and Grant Program (“**Program**”) with the goal of leveraging \$50 million in additional loan and grant funding to augment affordable housing and community development investment into Richmond neighborhoods; and

WHEREAS, the implementation of the Equitable Affordable Housing Strategy (the “**Strategy**”) requires the collaboration of entities that play a significant role in the financing of affordable housing activities, including the City and LISC; and

WHEREAS, the activities of the Program will be jointly managed by the City and LISC, as more particularly set forth herein.

UNDERSTANDINGS

Section 1: Purpose and Background. The purpose of this MOU is to assist the Parties in coordinating their activities with respect to the Strategy by providing a written memorandum of their intentions stated in good faith and with as much accuracy as possible. It is not the intent of the Parties that this document should constitute a contract or provide the basis for a legal claim by either Party. This MOU neither requires nor authorizes the disposition or acceptance of any

property or the expenditure or receipt of any funds by either Party. This Memorandum of Understanding is not intended to create and it does not create any legal rights, obligations or consequences. Only those rights and obligations that are set forth in definitive written agreements, if any, duly authorized, executed, and delivered by all parties thereto, will create any legally binding rights, obligations or consequences with respect to the subject matter thereof or of this Memorandum of Understanding.

The City and LISC believe that, by working together, they can significantly increase the availability of decent, affordable rental housing, and affordable homeownership opportunities, predominately in under-resourced neighborhoods in Richmond. Accordingly, the City and LISC desire to work together to improve the housing conditions in Richmond and help the City attract additional investments for the production and preservation of affordable housing.

Section 2: Activities of LISC. In furtherance of the purpose of this MOU, LISC intends to perform the following activities:

Program Management and Structuring:

1. Provide staffing for the LISC Program components.
2. Make available, on LISC's customary terms and conditions, grants, loans, and other financing products to leverage additional financing and achieve more affordable housing units.
3. LISC lending team to present or provide webinar of loan products at appropriate time.
4. Coordinate with the City to establish application submittal, review, and selection processes for accessing City affordable housing development resources.
5. Coordinate with the City and the Richmond Redevelopment & Housing Authority (RRHA) to establish guidelines on the utilization of available Project-Based Vouchers as well as any other available federal assistance.
6. Make available predevelopment financing to augment City funds.
7. Seek support from the financial institutions (grants and low-cost financing), as well as philanthropic organizations, to leverage the funding available under the City's new Affordable Housing Bond Program. LISC will report on the amount and type of any leveraged investments generated through fundraising, beginning with the November 2023 Funding Cycle.
8. Provide advisory services as requested by the City, including, but not limited to, surplus property disposition to facilitate affordable housing development and the creation of a small building loan program.
9. Coordinate with the City to develop a joint timeline for the first-year implementation and launch of the Program as well as annually thereafter.
10. Support state and local affordable housing policy advocacy.
11. Assist in convening affordable housing leaders for annual Program and market feedback with the City serving as lead and host.

Program Administration:

1. Coordinate with the City to establish Program design (including process maps).
2. Coordinate with the City to provide Program monitoring and reporting protocols.

3. Work with the City to build upon existing as well as establish performance metrics related to LISC annual work plans.
4. Work with the City to establish annual work plans.
5. Work jointly with the City to review Program performance, incorporate “learnings”, and make programmatic modifications, as needed.
6. Work with the City to build an investment pipeline.
7. Support capacity building efforts to include establishing a Housing Development Training Institute (HDTI) to build local development capacity.

Section 3: Activities of the City. In furtherance of the purpose of this MOU, the City intends to:

1. Coordinate, communicate, and partner with LISC on City proposed annual funding cycles, beginning with the initial cycle in November 2023.
2. Coordinate and provide clear timelines and processes for Low-Income Housing Tax Credit (LIHTC) commitment letters, subject to, and in accordance with any requirements of, the City Attorney’s Office.
3. Provide funding for non-LIHTC projects such as the Small Building Loan Fund and the Affordable Homeownership Development Fund.
4. Support LISC’s activities, as defined in Section 2 above, either as program costs or through separate grants/fees subject to available funding.
5. Work with RRHA to determine the availability and number of Project-Based Vouchers.
6. Serve as the lead and host on all meetings.
7. Provide LISC with a list of all priority neighborhoods as well as any updates to the list, as applicable.
8. Share other information as specified in the preceding sections, as applicable.
9. Maintain a database of all affordable housing development.
10. Maintain lists of all expiring LIHTC projects.
11. Provide staffing and administrative support for the newly formed Housing Commission.
12. Review and approve all marketing or collateral materials relating to the Strategy and the Program.

Section 4: Financial Objectives.

1. LISC intends to work with interested stakeholders to try to generate funding for the Program equal to \$10M per year for five (5) years through a combination of grants, loans, and other financing products.
2. The City intends to fund the Program with \$10M each year in City bond financing for the next five (5) years, subject to City Council appropriations.

Section 5: Meetings. The Parties intend to meet at their mutual convenience, whether in person or via video conference, telephone, or other convenient means, on a periodic basis to review the progress of each Party’s activities under this MOU, to coordinate Program administration, and to discuss other relevant issues that may arise from time to time.

Section 10: Points of Contact.

A. The City’s point of contact for purposes of this MOU is:

Sharon L. Ebert
Deputy Chief Administrative Officer for Planning
and Economic Development
City of Richmond
900 East Broad Street
Richmond, Virginia 23219
Sharon.Ebert@rva.gov

B. The Recipient’s point of contact for purposes of this MOU is:

Jane Ferrara
Executive Director
Local Initiatives Support Corporation
P.O. Box 14009
1021 Hioaks Road
Richmond, VA 23225
jferrara@LISC.org

C. Either party may change the contact information set forth in this section by submitting a written statement that the party is making such a change and setting forth the contact information of the party’s new point of contact to the other party’s point of contact.

The City and LISC have each executed this MOU as of the dates shown below.

CITY OF RICHMOND

By: _____

Print Name: _____

Title: _____

Date: _____

LOCAL INITIATIVES SUPPORT CORPORATION

By: _____

Print Name: _____ Denise Scott _____

Title: _____ President _____

Date: _____