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# 2023 Federal Low Income Housing Tax Credit Program

## Application For Reservation

### Deadline for Submission

#### 9% Competitive Credits

Applications Must Be Received At VHDA No Later Than **12:00 PM**  
Richmond, VA Time On **March 16, 2023**

#### Tax Exempt Bonds

Applications should be received at VHDA at least one month  
before the bonds are *priced* (if bonds issued by VHDA), or 75 days  
before the bonds are *issued* (if bonds are not issued by VHDA)



Virginia Housing  
601 South Belvidere Street  
Richmond, Virginia 23220-6500

## INSTRUCTIONS FOR THE VIRGINIA 2023 LIHTC APPLICATION FOR RESERVATION

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

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

### Applications For 9% Competitive Credits

Applicants should submit an electronic copy of the application package prior to the application deadline, which is **12:00 PM** Richmond Virginia time on **March 16, 2023**. Failure to submit an electronic copy of the application by the deadline will cause the application to be disqualified.

### **Please Note:**

**Applicants should submit all application materials in electronic format only.**

**There should be distinct files which should include the following:**

- 1. Application For Reservation – the active Microsoft Excel workbook**
- 2. A PDF file which includes the following:**
  - Application For Reservation – Signed version of hardcopy
  - All application attachments (i.e. tab documents, excluding market study and plans & specs)
- 3. Market Study – PDF or Microsoft Word format**
- 4. Plans - PDF or other readable electronic format**
- 5. Specifications - PDF or other readable electronic format (may be combined into the same file as the plans if necessary)**
- 6. Unit-By-Unit work write up (rehab only) - PDF or other readable electronic format**

### **IMPORTANT:**

**Virginia Housing only accepts files via our work center sites on Procorem. Contact [TaxCreditApps@virginiahousing.com](mailto:TaxCreditApps@virginiahousing.com) for access to Procorem or for the creation of a new deal workcenter. Do not submit any application materials to any email address unless specifically requested by the Virginia Housing LIHTC Allocation Department staff.**

### Disclaimer:

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

### Entering Data:

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

### **Please Note:**

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

### Assistance:

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

### Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	<a href="mailto:jd.bondurant@virginiahousing.com">jd.bondurant@virginiahousing.com</a>	(804) 343-5725
Stephanie Flanders	<a href="mailto:stephanie.flanders@virginiahousing.com">stephanie.flanders@virginiahousing.com</a>	(804) 343-5939
Jonathan Kinsey	<a href="mailto:jonathan.kinsey@virginiahousing.com">jonathan.kinsey@virginiahousing.com</a>	(804) 584-4717
Phil Cunningham	<a href="mailto:phillip.cunningham@virginiahousing.com">phillip.cunningham@virginiahousing.com</a>	(804) 343-5514
Lauren Dillard	<a href="mailto:lauren.dillard@virginiahousing.com">lauren.dillard@virginiahousing.com</a>	(804) 584-4729
Pamela Freeth	<a href="mailto:pamela.swartzenberg-freeth@virginiahousing.com">pamela.swartzenberg-freeth@virginiahousing.com</a>	(804) 343-5563
Jaki Whitehead	<a href="mailto:jaki.whitehead@virginiahousing.com">jaki.whitehead@virginiahousing.com</a>	(804) 343-5861

**TABLE OF CONTENTS**

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

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

## 2023 Low-Income Housing Tax Credit Application For Reservation

Please indicate if the following items are included with your application by putting an 'X' in the appropriate boxes. Your assistance in organizing the submission in the following order, and actually using tabs to mark them as shown, will facilitate review of your application. Please note that all mandatory items must be included for the application to be processed. The inclusion of other items may increase the number of points for which you are eligible under Virginia Housing's point system of ranking applications, and may assist Virginia Housing in its determination of the appropriate amount of credits that may be reserved for the development.

- |                                     |  |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | \$1,000 Application Fee <b>(MANDATORY)</b>   |
| <input checked="" type="checkbox"/> | Electronic Copy of the Microsoft Excel Based Application <b>(MANDATORY)</b>  |
| <input checked="" type="checkbox"/> | Electronic Copy of the Market Study <b>(MANDATORY - Application will be disqualified if study is not submitted with application)</b>   |
| <input checked="" type="checkbox"/> | Electronic Copy of the Plans and Unit by Unit writeup <b>(MANDATORY)</b>   |
| <input checked="" type="checkbox"/> | Electronic Copy of the Specifications <b>(MANDATORY)</b>   |
| <input type="checkbox"/>            | Electronic Copy of the Existing Condition questionnaire <b>(MANDATORY if Rehab)</b>  |
| <input type="checkbox"/>            | Electronic Copy of the Physical Needs Assessment <b>(MANDATORY at reservation for a 4% rehab request)</b>  |
| <input type="checkbox"/>            | Electronic Copy of Appraisal <b>(MANDATORY if acquisition credits requested)</b>   |
| <input type="checkbox"/>            | Electronic Copy of Environmental Site Assessment (Phase I) <b>(MANDATORY if 4% credits requested)</b>  |
| <input checked="" type="checkbox"/> | Tab A: Scanned Copy of the <u>Signed</u> Tax Credit Application with Attachments (excluding market study, 8609s and plans & specifications) <b>(MANDATORY)</b>                           |
| <input checked="" type="checkbox"/> | Tab B: Virginia State Corporation Commission Certification <b>(MANDATORY)</b>  |
| <input checked="" type="checkbox"/> | Tab C: Principal's Previous Participation Certification <b>(MANDATORY)</b>   |
| <input checked="" type="checkbox"/> | Tab D: List of LIHTC Developments (Schedule A) <b>(MANDATORY)</b>  |
| <input checked="" type="checkbox"/> | Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment <b>(MANDATORY)</b>  |
| <input checked="" type="checkbox"/> | Tab F: RESNET Rater Certification <b>(MANDATORY)</b>   |
| <input checked="" type="checkbox"/> | Tab G: Zoning Certification Letter <b>(MANDATORY)</b>  |
| <input type="checkbox"/>            | Tab H: Attorney's Opinion <b>(MANDATORY)</b>   |
| <input checked="" type="checkbox"/> | Tab I: Nonprofit Questionnaire <b>(MANDATORY for points or pool)</b>   |
|                                     | The following documents need not be submitted unless requested by Virginia Housing:  |
|                                     | -Nonprofit Articles of Incorporation      -IRS Documentation of Nonprofit Status   |
|                                     | -Joint Venture Agreement (if applicable)      -For-profit Consulting Agreement (if applicable)   |
| <input type="checkbox"/>            | Tab J: Relocation Plan and Unit Delivery Schedule <b>(MANDATORY)</b>   |
|                                     | Tab K: Documentation of Development Location:  |
| <input checked="" type="checkbox"/> | K.1 Revitalization Area Certification  |
| <input checked="" type="checkbox"/> | K.2 Location Map   |
| <input checked="" type="checkbox"/> | K.3 Surveyor's Certification of Proximity To Public Transportation   |
| <input checked="" type="checkbox"/> | Tab L: PHA / Section 8 Notification Letter   |
| <input checked="" type="checkbox"/> | Tab M: Locality CEO Response Letter  |
| <input type="checkbox"/>            | Tab N: Homeownership Plan  |
| <input checked="" type="checkbox"/> | Tab O: Plan of Development Certification Letter  |
| <input type="checkbox"/>            | Tab P: Development Experience and Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement <b>(MANDATORY)</b> |
| <input type="checkbox"/>            | Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property  |
| <input checked="" type="checkbox"/> | Tab R: Documentation of Operating Budget and Utility Allowances  |
| <input checked="" type="checkbox"/> | Tab S: Supportive Housing Certification and/or Resident Well-being   |
| <input checked="" type="checkbox"/> | Tab T: Funding Documentation   |
| <input checked="" type="checkbox"/> | Tab U: Acknowledgement by Tenant of the availability of Renter Education provided by Virginia Housing  |
| <input checked="" type="checkbox"/> | Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal  |
| <input checked="" type="checkbox"/> | Tab W: Internet Safety Plan and Resident Information Form (if internet amenities selected)   |
| <input checked="" type="checkbox"/> | Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504  |
| <input type="checkbox"/>            | Tab Y: Inducement Resolution for Tax Exempt Bonds  |
| <input type="checkbox"/>            | Tab Z: Documentation of team member's Diversity, Equity and Inclusion Designation  |
| <input type="checkbox"/>            | Tab AA: Priority Letter from Rural Development   |
| <input type="checkbox"/>            | Tab AB: Social Disadvantage Certification  |

**A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT**

Application Date: **3/14/23**

1. Development Name: **Madison Road Apartments**
  
2. Address (line 1): **458 N Madison Road**  
 Address (line 2):  
 City: **Orange** State: **VA** Zip: **22960**
  
3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: **00.00000** Latitude: **00.00000**  
 (Only necessary if street address or street intersections are not available.)
  
4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:  
 City/County of **Orange County**
  
5. The site overlaps one or more jurisdictional boundaries..... **FALSE**  
 If true, what other City/County is the site located in besides response to #4?.....
  
6. Development is located in the census tract of: **1102.00**
  
7. Development is located in a **Qualified Census Tract**..... **FALSE** *Note regarding DDA and QCT*
  
8. Development is located in a **Difficult Development Area**..... **FALSE**
  
9. Development is located in a **Revitalization Area based on QCT** ..... **FALSE**
  
10. Development is located in a **Revitalization Area designated by resolution** ..... **TRUE**
  
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... **FALSE**  
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)
  
12. Development is located in a census tract with a poverty rate of.....
 

3%	10%	12%
<b>FALSE</b>	<b>FALSE</b>	<b>FALSE</b>

**Enter only Numeric Values below:**

13. Congressional District: **7**
- Planning District: **9**
- State Senate District: **17**
- State House District: **30**

14. **ACTION:** Provide Location Map (**TAB K2**)

15. Development Description: In the space provided below, give a brief description of the proposed development

The project is being developed on land owned by Orange County, and will produce 21 PSH apartments for vulnerable households and office and service space for the project developer, Rappahannock Rapidan Community Service, Inc. Two existing structures on the site will be demolished and replaced by a new four-story elevator building.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: \_\_\_\_\_

16. Local Needs and Support

- a. Provide the name and the address of the chief executive officer (City Manager, Town Manager, or County Administrator of the political jurisdiction in which the development will be located:

Chief Executive Officer's Name: Greg Woods  
 Chief Executive Officer's Title: Town Manager Phone: (540) 672-5005  
 Street Address: 119 Belleview Avenue  
 City: Orange State: VA Zip: 22960

Name and title of local official you have discussed this project with who could answer questions for the local CEO: \_\_\_\_\_

- b. If the development overlaps another jurisdiction, please fill in the following:

Chief Executive Officer's Name: Theodore Voorhees  
 Chief Executive Officer's Title: County Manager Phone: (540) 672-3313  
 Street Address: 112 W Main Street  
 City: Orange State: VA Zip: 22960

Name and title of local official you have discussed this project with who could answer questions for the local CEO: \_\_\_\_\_

**ACTION:** Provide Locality Notification Letter at **Tab M** if applicable.

**B. RESERVATION REQUEST INFORMATION**

**1. Requesting Credits From:**

- a. If requesting 9% Credits, select credit pool: Accessible Supportive Housing Pool
  - or
  - b. If requesting Tax Exempt Bonds, select development type:
- For Tax Exempt Bonds, where are bonds being issued?
- ACTION:** Provide Inducement Resolution at **TAB Y** (if available)

**2. Type(s) of Allocation/Allocation Year**

Carryforward Allocation

Definitions of types:

- a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2023.
- b. **Carryforward Allocation** means all of the buildings in the development are expected to be placed in service within two years after the end of this calendar year, 2023, but the owner will have more than 10% basis in development before the end of twelve months following allocation of credits. For those buildings, the owner requests a carryforward allocation of 2023 credits pursuant to Section 42(h)(1)(E).

**3. Select Building Allocation type:**

New Construction

**Note** regarding Type = Acquisition and Rehabilitation: Even if you acquired a building this year and "placed it in service" for the purpose of the acquisition credit, you cannot receive its acquisition 8609 form until the rehab 8609 is issued for that building.

4. Is this an additional allocation for a development that has buildings not yet placed in service? .. FALSE

**5. Planned Combined 9% and 4% Developments**

a. A site plan has been submitted with this application indicating two developments on the same or contiguous site. One dev to this 9% allocation request and the remaining development will be a 4% tax exempt bond ap FALSE

If true, provide name of companion development

a. Has the developer met with Virginia Housing regarding the 4% tax exempt bond FALSE

b. List below the number of units planned for each allocation request. **This stated split of units cannot be changed or 9% Crec**

Total Units within 9% allocation request?	0
Total Units within 4% Tax Exempt allocation Request?	0
Total Units:	0

% of units in 4% Tax Exempt Allocation Request: 0.00%

**6. Extended Use Restriction**

**Note:** Each recipient of an allocation of credits will be required to record an **Extended Use Agreement** as required by the IRC governing the use of the development for low-income housing for at least 30 years. Applicant waives the right to pursue a Qualified Contract.

**Must Select One:** 30

**Definition of selection:**

Development will be subject to the standard extended use agreement of 15 extended use period (after the mandatory 15-year compliance period.)

7. Virginia Housing would like to encourage the efficiency of electronic payments. Indicate if developer commits to submitting due the Authority, including reservation fees and monitoring fees, by electronic payment (ACH c TRUE

**In 2023, Virginia Housing began using a new Rental Housing Invoicing Portal to allow easy payments via secure ACH trans. An invoice for your application fee along with access information was provided in your development's assigned Procorem w**

**C. OWNERSHIP INFORMATION**

NOTE: Virginia Housing may allocate credits only to the tax-paying entity which owns the development at the time of the allocation. The term "Owner" herein refers to that entity. Please fill in the legal name of the owner. The ownership entity must be formed prior to submitting this application. Any transfer, direct or indirect, of partnership interests (except those involving the admission of limited partners) prior to the placed-in-service date of the proposed development shall be prohibited, unless the transfer is consented to by Virginia Housing in its sole discretion. **IMPORTANT: The Owner name listed on this page must exactly match the owner name listed on the Virginia State Corporation Commission Certification.**

**1. Owner Information:**

*Must be an individual or legally formed entity.*

Owner Name: Madison Road Apartments, LLC

Developer Name: Rappahannock Rapidan Community Services, Inc.

Contact: M/M  First: Jim MI:  Last: LaGraffe

Address: PO Box 1568 - 15361 Bradford Road

City: Orange St.  VA Zip: 22701

Phone: (540) 825-3100 Ext.  Fax:

Email address: jlagraffe@rrcsb.org

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

Select type of entity:  Limited Liability Company Formation State:  VA

Additional Contact: Please Provide Name, Email and Phone number.

Jeffrey Michael Meyer, jmeyer@vacdc.org, 804 543 2208

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

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

Names **	Phone	Type Ownership	% Ownership
Management MRA, LLC	(540) 825-3100	MM	#####
Rappahannock Rapidan Community Service	(540) 825-3100		0.000% <i>need.</i>
Jim LaGraffe, Executive Director	(540) 825-3100		0.000% <i>need.</i>
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%

C. OWNERSHIP INFORMATION

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			0.000%
			0.000%

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

### C. OWNERSHIP INFORMATION

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

**ACTION:**

- a. Provide Principals' Previous Participation Certification **(Mandatory TAB C)**
- b. Provide a chart of ownership structure (Org Chart) and a list of all LIHTC Developments within the last 15 years. **(Mandatory at TABS A/D)**

b. Indicate if at least one principal listed above with an ownership interest of at least 25% in the controlling general partner or managing member is a socially disadvantaged individual as defined in the FALSE

**ACTION:** If true, provide Socially Disadvantaged Certification **(TAB AB)**

### 3. Developer Experience:

*May select one or more of the following choices:*

FALSE a. The development has an experienced sponsor (as defined in the manual) that has placed at least one LIHTC development in service in Virginia within the past 5 years.  
**Action:** Provide one 8609 from qualifying development. **(Tab P)**

FALSE b. The development has an experienced sponsor (as defined in the manual) that has placed at least three (3) LIHTC developments in service in any state within the past 6 years (in addition to any development provided to qualify for option d. above)  
**Action:** Provide one 8609 from each qualifying development. **(Tab P)**

FALSE c. Applicant is competing in the Local Housing Authority pool and partnering with an experienced sponsor (as defined in the manual), other than a local housing authority.  
**Action:** Provide documentation as stated in the manual. **(Tab P)**

**D. SITE CONTROL**

**NOTE:** Site control by the Owner identified herein is a mandatory precondition of review of this application. Documentary evidence in the form of either a deed, option, purchase contract or lease for a term longer than the period of time the property will be subject to occupancy restrictions must be included herewith. (For 9% Competitive Credits - An option or contract must extend beyond the application deadline by a minimum of four months.)

**Warning:** Site control by an entity other than the Owner, even if it is a closely related party, is not sufficient. Anticipated future transfers to the Owner are not sufficient. The Owner, as identified previously, must have site control at the time this Application is submitted.

**NOTE:** If the Owner receives a reservation of credits, the property must be titled in the name of or leased by (pursuant to a long-term lease) the Owner before the allocation of credits is made.

Contact Virginia Housing before submitting this application if there are any questions about this requirement.

**1. Type of Site Control by Owner:**

Applicant controls site by (select one):

Select Type:  Purchase Contract

Expiration Date: 3/30/24

In the Option or Purchase contract - Any contract for the acquisition of a site with an existing residential property may not require an empty building as a condition of such contract, unless relocation assistance is provided to displaced households, if any, at such level required by Virginia Housing. See QAP for further details.

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

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

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

**2. Timing of Acquisition by Owner:**

Only one of the following statement should be True.

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

b.  TRUE ..... Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than.....3/30/24

c.  FALSE ..... There is more than one site for development and more than one expected date of acquisition by Owner

(If c is **True**, provide documentation for each site specifying number of existing buildings on the site, if any, and expected date of acquisition of each site by Owner **(Tab E)**.)

**D. SITE CONTROL**

**3. Seller Information:**

Name: Rappahannock Rapidan Community Services Board

Address: PO Box 1568, 15361 Bradford Road

City: Culpeper St.: VA Zip: 22701

Contact Person: Jim LaGraffe Phone: (540) 825-3100

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

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

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

<u>Names</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
Rappahannock Rapidan Commun	#####	Fee Simple	100.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

**E. DEVELOPMENT TEAM INFORMATION**

Complete the following as applicable to your development team.

- Indicate Diversity, Equity and Inclusion (DEI) Designation if this team member is SWAM or Service Veteran as defined in manual.

**ACTION:** Provide copy of certification from Commonwealth of Virginia, if applicable - **TAB Z**

1. Tax Attorney:	John Bennett	This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:	306 N West Street, Culpeper VA 22701		
Email:	jcbe@msn.com	Phone:	(540) 825-3838
2. Tax Accountant:	Mike Vicars	This is a Related Entity.	FALSE
Firm Name:	Dooley & Vicars PC	DEI Designation?	FALSE
Address:	1100 Boulders Parkway, Suite 600, N Chesterfield VA 23225		
Email:	mike@dvcpas.com	Phone:	(804) 355-2808
3. Consultant:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:		Role:	
Email:		Phone:	
4. Management Entity:		This is a Related Entity.	FALSE
Firm Name:	Rappahannock Rapidan Community Ser	DEI Designation?	FALSE
Address:	PO Box 1568, 15361 Bradford Road, Culpeper VA 22701		
Email:	jlagraffe@rrcsb.org	Phone:	(540) 825-6245
5. Contractor:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:			
Email:		Phone:	
6. Architect:	Dex Sanders	This is a Related Entity.	FALSE
Firm Name:	Sanders Architecture PC	DEI Designation?	FALSE
Address:	16125 Raccoon Ford Road, Culpeper VA 22701		
Email:	dsanders@sanders-pc.com	Phone:	(540) 829-2590
7. Real Estate Attorney	John Bennett	This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:	306 N West Street, Culpeper VA 22701		
Email:	jcbe@msn.com	Phone:	(540) 825-3838
8. Mortgage Banker:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:			
Email:		Phone:	
9. Other:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:		Role:	
Email:		Phone:	

**F. REHAB INFORMATION**

**1. Acquisition Credit Information**

- a. Credits are being requested for existing buildings being acquired for development. FALSE  
**Action:** If true, provide an electronic copy of the Existing Condition Questionnaire and Appraisal
- b. This development has received a previous allocation of credits..... FALSE  
 If so, when was the most recent year that this development received c 0
- c. The development has been provided an acknowledgement letter from Rural Development regarding its preservation priority?..... FALSE
- d. This development is an existing RD or HUD S8/236 development..... FALSE  
**Action:** (If True, provide required form in **TAB Q**)

Note: If there is an identity of interest between the applicant and the seller in this proposal, and the applicant is seeking points in this category, then the applicant must either waive their rights to the developer's fee or other fees associated with acquisition, or obtain a waiver of this requirement from Virginia Housing prior to application submission to receive these points

- i. Applicant agrees to waive all rights to any developer's fee or other fees associated with acquisition..... FALSE
- ii. Applicant has obtained a waiver of this requirement from Virginia Housing prior to the application submission deadline..... FALSE

**2. Ten-Year Rule For Acquisition Credits**

- a. All buildings satisfy the 10-year look-back rule of IRC Section 42 (d)(2)(B), including the 10% basis/\$15,000 rehab costs (\$10,000 for Tax Exempt Bonds) per unit requirement..... FALSE
- b. All buildings qualify for an exception to the 10-year rule under IRC Section 42(d)(2)(D)(i),..... FALSE
  - i. Subsection (I)..... FALSE
  - ii. Subsection (II)..... FALSE
  - iii. Subsection (III)..... FALSE
  - iv. Subsection (IV)..... FALSE
  - v. Subsection (V)..... FALSE
- c. The 10-year rule in IRC Section 42 (d)(2)(B) for all buildings does not apply pursuant to IRC Section 42(d)(6)..... FALSE
- d. There are different circumstances for different buildings..... FALSE  
**Action:** (If True, provide an explanation for each building in Tab K)

**F. REHAB INFORMATION**

**3. Rehabilitation Credit Information**

a. Credits are being requested for rehabilitation expenditures..... FALSE

**b. Minimum Expenditure Requirements**

i. All buildings in the development satisfy the rehab costs per unit requirement of IRS Section 42(e)(3)(A)(ii)..... FALSE

ii. All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only)..... FALSE

iii. All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception..... FALSE

iv. There are different circumstances for different buildings..... FALSE

**Action:** (If True, provide an explanation for each building in Tab K)

G. NONPROFIT INVOLVEMENT

Applications for 9% Credits - Section must be completed in order to compete in the Non Profit tax credit pool.

All Applicants - Section must be completed to obtain points for nonprofit involvement.

1. Tax Credit Nonprofit Pool Applicants: To qualify for the nonprofit pool, an organization (described in IRC Section 501(c)(3) or 501(c)(4) and exempt from taxation under IRC Section 501(a)) should answer the following questions as TRUE:

- TRUE a. Be authorized to do business in Virginia.
TRUE b. Be substantially based or active in the community of the development.
TRUE c. Materially participate in the development and operation of the development throughout compliance period...
TRUE d. Own, either directly or through a partnership or limited liability company, 100% of the partnership or managing member interest.
TRUE e. Not be affiliated with or controlled by a for-profit organization.
TRUE f. Not have been formed for the principal purpose of competition in the Non Profit Pool.
TRUE g. Not have any staff member, officer or member of the board of directors materially participate, directly or indirectly, in the proposed development as a for profit entity.

2. All Applicants: To qualify for points under the ranking system, the nonprofit's involvement need not necessarily satisfy all of the requirements for participation in the nonprofit tax credit pool.

A. Nonprofit Involvement (All Applicants)

There is nonprofit involvement in this development. TRUE (If false, skip to #3.)

Action: If there is nonprofit involvement, provide completed Non Profit Questionnaire (Mandatory TAB)

B. Type of involvement:

Nonprofit meets eligibility requirement for points only, not pool..... TRUE

or

Nonprofit meets eligibility requirements for nonprofit pool and points. FALSE

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: Applicant

Name: Rappahannock Rapidan Community Services Board

Contact Person: Jim LaGraffe

Street Address: 15361 Bradford Road

City: Culpeper State: VA Zip: 22701

Phone: ##### Contact Email: jlagraffe@rrcsb.org

**G. NONPROFIT INVOLVEMENT**

D. Percentage of Nonprofit Ownership (All nonprofit applicants):

Specify the nonprofit entity's percentage ownership of the general partnership 100.0%

**3. Nonprofit/Local Housing Authority Purchase Option/Right of First Refusal**

A. TRUE

After the mandatory 15-year compliance period, a qualified nonprofit or local housing authority will have the option to purchase or the right of first refusal to acquire the development for a price not to exceed the outstanding debt and exit taxes. Such debt must be limited to the original mortgage(s) unless any refinancing is approved by the nonprofit. See manual for more specifics.

**Action:** Provide Option or Right of First Refusal in Recordable Form meeting Virginia Housing's specifications. **(TAB V)**  
Provide Nonprofit Questionnaire (if applicable) **(TAB I)**

**Name of qualified nonprofit:** Rappahannock Rapidan Community Services Boa

**or indicate true if Local Housing Authority.....** FALSE

**Name of Local Housing Authority** \_\_\_\_\_

B. FALSE

A qualified nonprofit or local housing authority submits a homeownership plan committing to sell the units in the development after the mandatory 15-year compliance period to tenants whose incomes shall not exceed the applicable income limit at the time of their initial occupancy.

**Action:** Provide Homeownership Plan **(TAB N)**

**NOTE:** Applicant is required to waive the right to pursue a Qualified Contract.

**H. STRUCTURE AND UNITS INFORMATION**

**# General Information**

a. Total number of <b>all</b> units in development	21	bedrooms	24
Total number of <b>rental</b> units in development	21	bedrooms	24
Number of low-income rental units	21	bedrooms	24
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	21	bedrooms	24
Number of adaptive reuse units: .....	0	bedrooms	0
Number of rehab units:.....	0	bedrooms	0
c. If any, indicate number of planned exempt units (included in total of all units in development)			0
d. Total Floor Area For The Entire Development.....			27,660.00 (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			0.00 (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			4,174.00
g. Total Usable Residential Heated Area.....			23,486.00 (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be <b>New Rental Space</b> .			100.00%
i. Exact area of site in acres .....	0.747		
j. Locality has approved a final site plan or plan of development.....			TRUE
If <b>True</b> , Provide required documentation ( <b>TAB O</b> ).			
k. Requirement as of 2016: Site must be properly zoned for proposed development. <b>ACTION:</b> Provide required zoning documentation ( <b>MANDATORY TAB G</b> )			
l. Development is eligible for Historic Rehab credits.....			FALSE

**Definition:**

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

**H. STRUCTURE AND UNITS INFORMATION**

**# UNIT MIX**

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	1051.00	SF	18	18
2BR Garden	1522.00	SF	3	3
3BR Garden	0.00	SF	0	0
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0
			21	21

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

**# Structures**

- a. Number of Buildings (containing rental units)..... 1
- b. Age of Structure:..... 0 years
- c. Maximum Number of stories:..... 4
- d. The development is a scattered site development..... FALSE
- e. Commercial Area Intended Use: Office space for service provider and community space
- f. Development consists primarily of : (Only One Option Below Can Be True)
  - i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... TRUE
  - ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE
  - iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE

**H. STRUCTURE AND UNITS INFORMATION**

g. Indicate **True** for all development's structural features that apply:

i. Row House/Townhouse	<u>FALSE</u>	v. Detached Single-family	<u>FALSE</u>
ii. Garden Apartments	<u>TRUE</u>	vi. Detached Two-family	<u>FALSE</u>
iii. Slab on Grade	<u>FALSE</u>	vii. Basement	<u>FALSE</u>
iv. Crawl space	<u>FALSE</u>		

h. Development contains an elevator(s). TRUE  
 If true, # of Elevators. 1  
 Elevator Type (if known) \_\_\_\_\_

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

**# Site Amenities (indicate all proposed)**

a. Business Center.....	<u>FALSE</u>	f. Limited Access.....	<u>TRUE</u>
b. Covered Parking.....	<u>FALSE</u>	g. Playground.....	<u>FALSE</u>
c. Exercise Room.....	<u>FALSE</u>	h. Pool.....	<u>FALSE</u>
d. Gated access to Site.....	<u>FALSE</u>	i. Rental Office.....	<u>TRUE</u>
e. Laundry facilities.....	<u>FALSE</u>	j. Sports Activity Ct.	<u>FALSE</u>
		k. Other:	_____

l. Describe Community Facilities: the property will contain a community space for residents and ha

m. Number of Proposed Parking Spaces 57  
 Parking is shared with another entity TRUE

n. Development located within 1/2 mile of an existing commuter rail, light rail or subway station or 1/4 mile from existing public bus s TRUE  
 If **True**, Provide required documentation (**TAB K3**).

**H. STRUCTURE AND UNITS INFORMATION**

**# Plans and Specifications**

**a. Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):**

- i. A location map with development clearly defined.
- ii. Sketch plan of the site showing overall dimensions of all building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required.
- iii. Sketch plans of all building(s) reflecting overall dimensions of:
  - a. Typical floor plan(s) showing apartment types and placement
  - b. Ground floor plan(s) showing common areas
  - c. Sketch floor plan(s) of typical dwelling unit(s)
  - d. Typical wall section(s) showing footing, foundation, wall and floor structure  
Notes must indicate basic materials in structure, floor and exterior finish.

**b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications:**

- i. Phase I environmental assessment.
- ii. Physical needs assessment for any rehab only development.

**NOTE:** All developments must meet Virginia Housing's **Minimum Design and Construction Requirements**. By signing and submitting the Application for Reservation of LIHTC, the applicant certifies that the proposed project budget, plans & specifications and work write-ups incorporate all necessary elements to fulfill these requirements.

**# Market Study Data: (MANDATORY)**

Obtain the following information from the **Market Study** conducted in connection with this tax credit application:

Project Wide Capture Rate - LIHTC Units	2.40%
Project Wide Capture Rate - Market Units	0.00%
Project Wide Capture Rate - All Units	2.40%
Project Wide Absorption Period (Months)	2

**J. ENHANCEMENTS**

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

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

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

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

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

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

**REQUIRED:**

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

- TRUE a. A community/meeting room with a minimum of 749 square feet is provided.
- 50.00% b1. Percentage of brick covering the exterior walls.
- 50.00% b2. Percentage of Fiber Cement Board or other similar low-maintenance material approved by the Authority covering exterior walls. Community buildings are to be included in percentage calculations.
- FALSE c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).
- TRUE d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products.
- FALSE e. Rehab Only: Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.
- f. *Not applicable for 2022 Cycles*
- FALSE g. Each unit is provided free individual high speed internet access.
- or
- FALSE h. Each unit is provided free individual WiFi access.
- FALSE i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.
- or
- TRUE j. Full bath fans are equipped with a humidistat.
- FALSE k. Cooking surfaces are equipped with fire prevention features
- or
- TRUE l. Cooking surfaces are equipped with fire suppression features.
- FALSE m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.
- or
- TRUE n. All Construction types: each unit is equipped with a permanent dehumidification system.
- TRUE o. All interior doors within units are solid core.
- TRUE p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port.
- TRUE q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- 0% r. Percentage of development's on-site electrical load that can be met by a renewable energy electric system (for the benefit of the tenants)
- FALSE s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet.

J. ENHANCEMENTS

For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:

- FALSE a. All cooking ranges have front controls.
- FALSE b. Bathrooms have an independent or supplemental heat source.
- FALSE c. All entrance doors have two eye viewers, one at 42" inches and the other at standard height.
- FALSE d. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.

2. Green Certification

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

The applicant will also obtain one of the following:

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

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

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

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

- |                               |                                     |                                |                         |
|-------------------------------|-------------------------------------|--------------------------------|-------------------------|
| <input type="checkbox"/> TRUE | Zero Energy Ready Home Requirements | <input type="checkbox"/> FALSE | Passive House Standards |
|-------------------------------|-------------------------------------|--------------------------------|-------------------------|

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

- TRUE a. Architect of record certifies that units will be constructed to meet Virginia Housing's Universal Design Standards.

- 21 b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards:  
100% of Total Rental Units

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

If not, please explain:

[Empty text box for explanation]



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

**I. UTILITIES**

1. Utilities Types:

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

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

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

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	40	51	0	0
Air Conditioning	0	12	15	0	0
Cooking	0	10	11	0	0
Lighting	0	20	25	0	0
Hot Water	0	18	23	0	0
Water	0	0	0	0	0
Sewer	0	0	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$100	\$125	\$0	\$0

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

- a. FALSE HUD
- b. FALSE Utility Company (Estimate)
- c. FALSE Utility Company (Actual Survey)
- d. TRUE Local PHA
- e. FALSE Other: \_\_\_\_\_

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

**K. SPECIAL HOUSING NEEDS**

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

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

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

**FALSE**

- a. Any development in which (i) the greater of 5 units or 10% of units will be assisted by HUD project-based vouchers (as evidenced by the submission of a letter satisfactory to the Authority from an authorized public housing authority (PHA) that the development meets all prerequisites for such assistance), or another form of documented and binding federal project-based rent subsidies in order to ensure occupancy by extremely low-income persons. Locality project based rental subsidy meets the definition of state project based
  - (ii) will conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and be actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the
  - (iii) above must include roll-in showers, roll under sinks and front control ranges, unless agreed to by the Authority prior to the applicant's submission of its application.

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

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

**TRUE**

- b. Any development in which ten percent (10%) of the units (i) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act and (ii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.

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



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

# **Special Housing Needs/Leasing Preference:**

- a. If not general population, select applicable special population:

**####**

Elderly (as defined by the United States Fair Housing Act.)

**####**

Persons with Disabilities (must meet the requirements of the Federal Americans with Disabilities Act) - Accessible Supportive Housing Pool only

**TRUE**

Supportive Housing (as described in the Tax Credit Manual)

**Action:** Provide Permanent Supportive Housing Certification (**Tab S**)

**K. SPECIAL HOUSING NEEDS**

b. The development has existing tenants and a relocation plan has been developed. FALSE  
(If **True**, Virginia Housing policy requires that the impact of economic and/or physical displacement on those tenants be minimized, in which Owners agree to abide by the Authority's Relocation Guidelines for LIHTC properties.)

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

**# Leasing Preferences**

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

Organization which holds waiting list: Rappahannock Rapidan Community Services

Contact person: Jim LaGraffe

Title: Executive Director

Phone Number: (540) 825-3100

**Action:** Provide required notification documentation **(TAB L)**

b. Leasing preference will be given to individuals and families with children..... FALSE  
(Less than or equal to 20% of the units must have of 1 or less bedrooms).

c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms: 0  
% of total Low Income Units 0%

**NOTE:** Development must utilize a **Virginia Housing Certified Management Agent**. Proof of management certification must be provided before 8609s are issued.

**Action:** Provide documentation of tenant disclosure regarding Virginia Housing Rental Education **(Mandatory - Tab U)**

**# Target Population Leasing Preference**

Unless prohibited by an applicable federal subsidy program, each applicant shall commit to provide a leasing preference to individuals (i) in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth, (ii) having a voucher or other binding commitment for rental assistance from the Commonwealth, and (iii) referred to the development by a referring agent approved by the Authority. The leasing preference shall not be applied to more than ten percent (10%) of the units in the development at any given time. The applicant may not impose tenant selection criteria or leasing terms with respect to individuals receiving this preference that are more restrictive than the applicant's tenant selection criteria or leasing terms applicable to prospective tenants in the development that do not receive this preference, the eligibility criteria for the rental assistance from the Commonwealth, or any eligibility criteria contained in a memorandum of understanding between the Authority and one or more participating agencies. **Primary Contact for Target Population leasing preference.** The agency will contact as needed.

First Name: Jim

Last Name: LaGraffe

Phone Number: (540) 825-3100 Email: jlagraffe@rrcsb.org

**K. SPECIAL HOUSING NEEDS**

# **Resident Well-Being** **Action:** Provide appropriate documentation for any selection below (**Tab S**)

- FALSE a. Development has entered into a memorandum of understanding (approved by DBHDS) with service provider for the provision of resident services (as defined in the manual).
- FALSE b. Development will provide licensed childcare on-site with a preference and discount to resident or an equivalent subsidy for tenants to utilize licensed childcare of tenant's choice.
- FALSE c. Development will provide tenants with free on-call, telephonic or virtual healthcare services a licensed provider.

# **Rental Assistance**

a. Some of the low-income units do or will receive rental assistance..... TRUE

b. Indicate True if rental assistance will be available from the following

#### Rental Assistance Demonstration (RAD) or other PHA conversion to based rental assistance.

#### Section 8 New Construction Substantial Rehabilitation

#### Section 8 Moderate Rehabilitation

#### Section 811 Certificates

#### Section 8 Project Based Assistance

#### RD 515 Rental Assistance

TRUE Section 8 Vouchers  
\*Administering Organization Rappahannock Rapidan Community

TRUE State Assistance  
\*Administering Organization Rappahannock Rapidan Community

#### Other: \_\_\_\_\_

c. The Project Based vouchers above are applicable to the 30% units seeking points.

FALSE

i. If True above, how many of the 30% units will not have project based vouchers 0

d. Number of units receiving assistance: \_\_\_\_\_

How many years in rental assistance contract? \_\_\_\_\_

Expiration date of contract: \_\_\_\_\_

There is an Option to Renew..... FALSE

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

e. How many of the units in this development are already considered Public Housing 0

**L. UNIT DETAILS**

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

Note: In order to qualify for any tax credits, a development must meet one of three minimum threshold occupancy tests. Either (i) at least 20% of the units must be rent-restricted and occupied by persons whose incomes are 50% or less of the area median income adjusted for family size (this is called the 20/50 test), (ii) at least 40% of the units must be rent-restricted and occupied by persons whose incomes are 60% or less of the area median income adjusted for family size (this is called the 40/60 test), or (iii) 40% or more of the units are both rent-restricted and occupied by persons whose income does not exceed the imputed income limitation designated in 10% increments between 20% to 80% of the AMI, and the average of the imputed income limitations collectively does not exceed 60% of the AMI (this is called the Average Income Test (AIT)). All occupancy tests are described in Section 42 of the IRC. Rent-and income-restricted units are known as low-income units. If you have more low-income units than required, you qualify for more credits. If you serve lower incomes than required, you receive more points under the ranking system.

**a. Units Provided Per Household Type:**

Income Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
4	19.05%	40% Area Median
7	33.33%	50% Area Median
10	47.62%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
21	100.00%	<b>Total</b>

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
4	19.05%	40% Area Median
7	33.33%	50% Area Median
10	47.62%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
21	100.00%	<b>Total</b>

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

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

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	40% AMI	4	4	687.00	\$587.00	\$2,348
Mix 2	1 BR - 1 Bath	50% AMI	7		687.00	\$635.00	\$4,445
Mix 3	1 BR - 1 Bath	60% AMI	5		687.00	\$660.00	\$3,300
Mix 4	1 BR - 1 Bath	60% AMI	2		750.00	\$675.00	\$1,350
Mix 5	2 BR - 1.5 Bath	60% AMI	3		1005.00	\$775.00	\$2,325
Mix 6							\$0
Mix 7							\$0
Mix 8							\$0
Mix 9							\$0
Mix 10							\$0
Mix 11							\$0



**L. UNIT DETAILS**

Mix 68							\$0
Mix 69							\$0
Mix 70							\$0
Mix 71							\$0
Mix 72							\$0
Mix 73							\$0
Mix 74							\$0
Mix 75							\$0
Mix 76							\$0
Mix 77							\$0
Mix 78							\$0
Mix 79							\$0
Mix 80							\$0
Mix 81							\$0
Mix 82							\$0
Mix 83							\$0
Mix 84							\$0
Mix 85							\$0
Mix 86							\$0
Mix 87							\$0
Mix 88							\$0
Mix 89							\$0
Mix 90							\$0
Mix 91							\$0
Mix 92							\$0
Mix 93							\$0
Mix 94							\$0
Mix 95							\$0
Mix 96							\$0
Mix 97							\$0
Mix 98							\$0
Mix 99							\$0
Mix 100							\$0
<b>TOTALS</b>			21	4			\$13,768

<b>Total</b>	<b>21</b>	<b>Net Rentable SF: TC Units</b>	<b>15,507.00</b>
<b>Units</b>		<b>MKT Units</b>	<b>0.00</b>
		<b>Total NR SF:</b>	<b>15,507.00</b>

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

**M. OPERATING EXPENSES**

**Administrative:**

Use Whole Numbers Only!

1. Advertising/Marketing			\$500
2. Office Salaries			\$0
3. Office Supplies			\$500
4. Office/Model Apartment	(type		\$0
5. Management Fee			\$8,000
	<u>5.19%</u> of EGI	<u>\$380.95</u> Per Unit	
6. Manager Salaries			\$8,000
7. Staff Unit (s)	(type		\$0
8. Legal			\$500
9. Auditing			\$4,500
## Bookkeeping/Accounting Fees			\$2,000
## Telephone & Answering Service			\$2,500
## Tax Credit Monitoring Fee			\$735
## Miscellaneous Administrative			\$2,000
<b>Total Administrative</b>			<b>\$29,235</b>

**Utilities**

## Fuel Oil			\$0
## Electricity			\$7,500
## Water			\$6,500
## Gas			\$0
## Sewer			\$7,650
<b>Total Utility</b>			<b>\$21,650</b>

**Operating:**

## Janitor/Cleaning Payroll			\$4,000
## Janitor/Cleaning Supplies			\$500
## Janitor/Cleaning Contract			\$0
## Exterminating			\$2,500
## Trash Removal			\$3,800
## Security Payroll/Contract			\$2,500
## Grounds Payroll			\$0
## Grounds Supplies			\$1,000
## Grounds Contract			\$0
## Maintenance/Repairs Payroll			\$8,000
## Repairs/Material			\$2,000
## Repairs Contract			\$0
## Elevator Maintenance/Contract			\$7,500
## Heating/Cooling Repairs & Maintenance			\$3,500
## Pool Maintenance/Contract/Staff			\$0
## Snow Removal			\$1,000
## Decorating/Payroll/Contract			\$3,000
## Decorating Supplies			\$0
## Miscellaneous			\$2,000
<b>Totals Operating &amp; Maintenance</b>			<b>\$41,300</b>

**M. OPERATING EXPENSES**

**Taxes & Insurance**

## Real Estate Taxes	\$10,000
## Payroll Taxes	\$3,600
## Miscellaneous Taxes/Licenses/Permits	\$0
## Property & Liability Insurance	\$15,000
## Fidelity Bond	\$0
## Workman's Compensation	\$500
## Health Insurance & Employee Benefits	\$3,500
## Other Insurance	\$0
<b>Total Taxes &amp; Insurance</b>	<b>\$32,600</b>

**Total Operating Expense** **\$124,785**

**Total Operating Expenses Per Unit** **\$5,942** **C. Total Operating Expenses as % of** **80.93%**

**Replacement Reserves** (Total # Units X \$300 or \$250 New Const. Elderly Mini **\$6,300**

<b>Total Expenses</b>	<b>\$131,085</b>
-----------------------	------------------

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

**N. PROJECT SCHEDULE**

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
<b>1. SITE</b>		
a. Option/Contract	Complete	Jim Lagriffe
b. Site Acquisition	12/31/23	Jim Lagriffe
c. Zoning Approval	Complete	Jim Lagriffe
d. Site Plan Approval	Complete	Jim Lagriffe
<b>2. Financing</b>		
<b>a. Construction Loan</b>		
i. Loan Application	9/1/23	Jim Lagriffe
ii. Conditional Commitment	10/1/23	Jim Lagriffe
iii. Firm Commitment	11/1/23	Jim Lagriffe
<b>b. Permanent Loan - First Lien</b>		
i. Loan Application	8/1/23	Jim Lagriffe
ii. Conditional Commitment	9/1/23	Jim Lagriffe
iii. Firm Commitment	10/1/23	Jim Lagriffe
<b>c. Permanent Loan-Second Lien</b>		
i. Loan Application		
ii. Conditional Commitment		
iii. Firm Commitment		
<b>d. Other Loans &amp; Grants</b>		
i. Type & Source, List		
ii. Application		
iii. Award/Commitment		
<b>2. Formation of Owner</b>	Complete	Jim Lagriffe
<b>3. IRS Approval of Nonprofit Status</b>	Complete	Jim Lagriffe
<b>4. Closing and Transfer of Property to Owner</b>	12/31/23	Jim Lagriffe
<b>5. Plans and Specifications, Working Drawings</b>	8/1/23	Jim Lagriffe
<b>6. Building Permit Issued by Local Government</b>	11/1/23	Jim Lagriffe
<b>7. Start Construction</b>	2/1/24	Jim Lagriffe
<b>8. Begin Lease-up</b>	12/1/24	Jim Lagriffe
<b>9. Complete Construction</b>	3/1/25	Jim Lagriffe
<b>10. Complete Lease-Up</b>	7/1/25	Jim Lagriffe
<b>11. Credit Placed in Service Date</b>	7/1/25	Jim Lagriffe

**O. PROJECT BUDGET - HARD COSTS**

**Cost/Basis/Maximum Allowable Credit**

To select exclusion of allowable line items from Total Development Costs used in Cost limit calculations, select X in yellow box to

Complete cost column and basis column(s) as appropriate

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

<b>Item</b>	<b>(A) Cost</b>	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
<b><u>Must Use Whole Numbers Only!</u></b>				
<b>1. Contractor Cost</b>				
a. Unit Structures (New)	5,700,000	0	0	5,700,000
b. Unit Structures (Rehab)	0	0	0	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	750,000	0	0	0
e. Structured Parking Garage	0	0	0	0
<b>Total Structure</b>	6,450,000	0	0	5,700,000
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
h. Renewable Energy	0	0	0	0
i. Roads & Walks	0	0	0	0
j. Site Improvements	1,000,000	0	0	1,000,000
k. Lawns & Planting	0	0	0	0
l. Engineering	0	0	0	0
m. Off-Site Improvements	290,000	0	0	0
n. Site Environmental Mitigation	0	0	0	0
o. Demolition	0	0	0	0
p. Site Work	0	0	0	0
q. Other Site work	0	0	0	0
<b>Total Land Improvements</b>	1,290,000	0	0	1,000,000
<b>Total Structure and Land</b>	7,740,000	0	0	6,700,000
r. General Requirements	464,400	0	0	464,000
s. Builder's Overhead	309,600	0	0	309,600
( 4.0% Contract)				
t. Builder's Profit	250,000	0	0	250,000
( 3.2% Contract)				
u. Bonds	80,000	0	0	80,000
v. Building Permits	0	0	0	0
w. Special Construction	0	0	0	0
x. Special Equipment	0	0	0	0
y. Other 1: insurance	50,000	0	0	50,000
z. Other 2: letters of credit	12,000	0	0	12,000
aa. Other 3:	0	0	0	0
<b>Contractor Costs</b>	<b>\$8,906,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,865,600</b>

**O. PROJECT BUDGET - OWNER COSTS**

		To select exclusion of allowable line items from Total Development Costs used in Cost limit calculations, select X in yellow box to the left			
MUST USE WHOLE NUMBERS ONLY!	Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
			"30% Present Value Credit"	(D) "70 % Present Value Credit"	
			(B) Acquisition	(C) Rehab/ New Construction	
<b>2. Owner Costs</b>					
a.	Building Permit	20,000	0	0	20,000
b.	Architecture/Engineering Design Fee ##### /Unit)	425,000	0	0	425,000
c.	Architecture Supervision Fee \$0 /Unit)	0	0	0	0
d.	Tap Fees	60,000	0	0	60,000
e.	Environmental	10,000	0	0	10,000
f.	Soil Borings	0	0	0	0
g.	Green Building (Earthcraft, LEED, etc.)	0	0	0	0
h.	Appraisal	12,000	0	0	12,000
i.	Market Study	3,750	0	0	0
j.	Site Engineering / Survey	10,000	0	0	10,000
k.	Construction/Development Mgt	0	0	0	0
l.	Structural/Mechanical Study	0	0	0	0
m.	Construction Loan Origination Fee	25,000	0	0	25,000
n.	Construction Interest ( 0.0% fo 0 months)	300,000	0	0	250,000
o.	Taxes During Construction	12,000	0	0	12,000
p.	Insurance During Construction	40,000	0	0	40,000
q.	Permanent Loan Fee ( 0.0% )	0	0	0	0
r.	Other Permanent Loan Fees	0	0	0	0
s.	Letter of Credit	0	0	0	0
t.	Cost Certification Fee	15,000	0	0	0
u.	Accounting	5,000	0	0	0
v.	Title and Recording	35,000	0	0	35,000
w.	Legal Fees for Closing	120,000	0	0	20,000
x.	Mortgage Banker	0	0	0	0
y.	Tax Credit Fee	53,500	0	0	0
z.	Tenant Relocation	0	0	0	0
aa.	Fixtures, Furnitures and Equipment	30,000	0	0	0
ab.	Organization Costs	10,000	0	0	0
ac.	Operating Reserve	0	0	0	0
ad.	Contingency	0	0	0	0
ae.	Security	0	0	0	0
af.	Utilities	50,000	0	0	50,000

**O. PROJECT BUDGET - OWNER COSTS**

ag. Servicing Reserve	0			
(1) Other* specify	0	0	0	0
(2) Other* specify	0	0	0	0
(3) Other* specify	0	0	0	0
(4) Other* specify	0	0	0	0
(5) Other* specify	0	0	0	0
(6) Other* specify	0	0	0	0
(7) Other* specify	0	0	0	0
(8) Other* specify	0	0	0	0
(9) Other* specify	0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$1,236,250	\$0	\$0	\$969,000
<b>Subtotal 1 + 2</b> (Owner + Contractor Costs)	\$10,142,250	\$0	\$0	\$8,834,600
<b>3. Developer's Fees</b> <b>Action:</b> Provide Developer Fee Agreement (Tab A)	1,000,000	0	0	1,000,000
<b>4. Owner's Acquisition Costs</b>				
Land	645,457			
Existing Improvements	0	0		
Subtotal 4:	\$645,457	\$0		
<b>5. Total Development Costs</b>				
Subtotal 1+2+3+4:	\$11,787,707	\$0	\$0	\$9,834,600

If this application seeks rehab credits only, in which there is no acquisition and **no change in ownership**, enter the greater of appraised value or tax assessment value here:

(Provide documentation at <b>Tab E</b> )	\$250,000	Land
	\$395,457	Building

**Maximum Developer Fee:**

**\$1,293,017**

Proposed Development's Cost per Sq Foot	\$403	<b>Meets Limits</b>
Applicable Cost Limit by Square Foot:	\$497	

Proposed Development's Cost per Unit	\$530,583	<b>Meets Limits</b>
Applicable Cost Limit per Unit:	\$533,792	

**P. ELIGIBLE BASIS CALCULATION**

Item	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):			
	(A) Cost	"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
<b>1. Total Development Costs</b>	11,787,707	0	0	9,834,600

**2. Reductions in Eligible Basis**

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

**3. Total Eligible Basis (1 - 2 above)**

0	0	9,834,600
---	---	-----------

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

a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>	0	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)	0	2,950,380
c. For Green Certification (Eligible Basis x 10%)		0

**Total Adjusted Eligible basis**

0	12,784,980
---	------------

**5. Applicable Fraction**

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

**6. Total Qualified Basis (Eligible Basis x Applicable Fraction)**

0	0	12,784,980
---	---	------------

**7. Applicable Percentage**

9.00%	9.00%	9.00%
-------	-------	-------

(Beginning in 2021, All Tax Exempt requests should use the standard 4% rate and all 9% requests should use the standard 9% rate.)

**8. Maximum Allowable Credit under IRC §42**

\$0	\$0	\$1,150,648
-----	-----	-------------

(Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)	\$1,150,648 Combined 30% & 70% P. V. Credit	
--	--	--

**Q. SOURCES OF FUNDS**

**Action:** Provide Documentation for all Funding Sources at **Tab T**

**1. Construction Financing:** List individually the sources of construction financing, including any such loans financed through grant sources:

	Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1.					
2.					
3.					
Total Construction Funding:				\$0	

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

	Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
2.	DHCD HOME	4/4/23	9/1/23	\$900,000	\$2,750	0.25%		30
3.	DHCD NHTF	4/4/23	9/1/23	\$900,000	\$0	0.00%		30
4.	DHCD VHTF	4/4/23	9/1/23	\$900,000	\$2,750	0.25%		30
5.	DHCD HIEE	4/4/23	9/1/23	\$800,000	\$0	0.00%		30
6.	Sponsor Loan (PDC)		9/1/23	\$450,000	\$0	0.00%		30
7.	Seller Note		3/1/23	\$645,457	\$0	3.74%		30
8.	Federal Home Loan Bank		12/1/23	\$500,000	\$0	0.00%		30
9.								
10.								
Total Permanent Funding:				\$5,095,457	\$5,500			

**3. Grants:** List all grants provided for the development:

	Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1.					
2.					
3.					
4.					
5.					
6.					

**Q. SOURCES OF FUNDS**

Total Permanent Grants:

\$0

**Q. SOURCES OF FUNDS**

**4. Subsidized Funding**

	Source of Funds	Date of Commitment	Amount of Funds
1.	Seller Note		\$645,457
2.			
3.			
4.			
5.			
Total Subsidized Funding			\$645,457

**5. Recap of Federal, State, and Local Funds**

Portions of the sources of funds described above for the development are financed directly or indirectly with Federal, State, or Local Government Funds..... **FALSE**

If above is **True**, then list the amount of money involved by all appropriate types.

Below-Market Loans

a.	Tax Exempt Bonds	\$0
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	Virginia Housing REACH Funds	\$0
g.	HOME Funds	\$900,000
h.	Choice Neighborhood	\$0
i.	National Housing Trust Fund	\$900,000
j.	Virginia Housing Trust Fund	\$900,000
k.	Other:	\$0
l.	Other:	\$0

Market-Rate Loans

a.	Taxable Bonds	\$0
b.	Section 220	\$0
c.	Section 221(d)(3)	\$0
d.	Section 221(d)(4)	\$0
e.	Section 236	\$0
f.	Section 223(f)	\$0
g.	Other:	\$0

Grants\*

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

Grants

c.	State	
d.	Local	
e.	Other:	

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

**Q. SOURCES OF FUNDS**

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

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

7. Some of the development's financing has credit enhancements..... **FALSE**

If **True**, list which financing and describe the credit enhancement:

\_\_\_\_\_  
\_\_\_\_\_

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

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

b. **FALSE** **New** project based subsidy from HUD or Rural Development for the greater of 5 or 10% of the units in the development.

c. **FALSE** Other \_\_\_\_\_

9. A HUD approval for transfer of physical asset is required..... **FALSE**

**R. EQUITY**

**1. Equity**

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit

Amount of Federal historic credits	\$0	x Equity \$	\$0.000	=	\$0
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000	=	\$0

b. Equity that Sponsor will Fund:

i. Cash Investment	\$0
ii. Contributed Land/Building	\$0
iii. Deferred Developer Fee	\$167,249 (Note: Deferred Developer Fee cannot be negative.)
iv. Other:	\$0

**ACTION:** If Deferred Developer Fee is greater than 50% of overall Developer Fee, provide a cash flow statement showing payoff within 15 years at **TAB A**.

**Equity Total** \$167,249

**2. Equity Gap Calculation**

a. Total Development Cost	\$11,787,707
b. Total of Permanent Funding, Grants and Equity	- <u>\$5,262,706</u>
c. Equity Gap	\$6,525,001
d. Developer Equity	- <u>\$653</u>
e. Equity gap to be funded with low-income tax credit proceeds	\$6,524,348

**3. Syndication Information (If Applicable)**

a. Actual or Anticipated Name of Syndicator: Virginia Community Development Corporation (VCDC)

Contact Person: Jeffrey Michael Meyer Phone: (804) 543-2208

Street Address: 1840 W Broad Street, suite 200

City: Richmond State: VA Zip: 23220

b. Syndication Equity

i. Anticipated Annual Credits	\$750,000.00
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.870
iii. Percent of ownership entity (e.g., 99% or 99.9%)	99.99000%
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)	\$0
v. Net credit amount anticipated by user of credits	\$749,925
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$6,524,348

c. Syndication: Private

d. Investors: Corporate

**4. Net Syndication Amount**

Which will be used to pay for Total Development Costs \$6,524,348

**5. Net Equity Factor**

Must be equal to or greater than 85% 87.0000066673%

**S. DETERMINATION OF RESERVATION AMOUNT NEEDED**

The following calculation of the amount of credits needed is substantially the same as the calculation which will be made by Virginia Housing to determine, as required by the IRC, the amount of credits which may be allocated for the development. However, Virginia Housing at all times retains the right to substitute such information and assumptions as are determined by Virginia Housing to be reasonable for the information and assumptions provided herein as to costs (including development fees, profits, etc.), sources for funding, expected equity, etc. Accordingly, if the development is selected by Virginia Housing for a reservation of credits, the amount of such reservation may differ significantly from the amount you compute below.

1. Total Development Costs		<u>\$11,787,707</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$5,262,706</u>
3. Equals Equity Gap		<u>\$6,525,001</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>87.0000066673%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$7,500,000</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$750,000</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$1,150,648</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$0</u>
	For 70% PV Credit:	<u>\$750,000</u>
Credit per LI Units	<u>\$35,714.2857</u>	<b>Combined 30% &amp; 70% PV Credit Requested</b>
Credit per LI Bedroom	<u>\$31,250.0000</u>	

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

**T. CASH FLOW**

**1. Revenue**

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

Total Monthly Rental Income for LIHTC Units	\$13,768
Plus Other Income Source (list): _____	\$0
Equals Total Monthly Income:	<u>\$13,768</u>
Twelve Months	x12
Equals Annual Gross Potential Income	<u>\$165,216</u>
Less Vacancy Allowance <span style="margin-left: 100px;">7.0%</span>	<u>\$11,565</u>
<b>Equals Annual Effective Gross Income (EGI) - Low Income Units</b>	<u><u>\$153,651</u></u>

**2. Indicate the estimated monthly income for the Market Rate Units** (based on Unit Details tab):

Total Monthly Income for Market Rate Units:	\$0
Plus Other Income Source (list): _____	\$0
Equals Total Monthly Income:	<u>\$0</u>
Twelve Months	x12
Equals Annual Gross Potential Income	<u>\$0</u>
Less Vacancy Allowance <span style="margin-left: 100px;">0.0%</span>	<u>\$0</u>
<b>Equals Annual Effective Gross Income (EGI) - Market Rate Units</b>	<u><u>\$0</u></u>

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

**3. Cash Flow (First Year)**

a. Annual EGI Low-Income Units	<u>\$153,651</u>
b. Annual EGI Market Units	<u>\$0</u>
c. Total Effective Gross Income	<u>\$153,651</u>
d. Total Expenses	<u>\$131,085</u>
e. Net Operating Income	<u>\$22,566</u>
f. Total Annual Debt Service	<u>\$5,500</u>
g. Cash Flow Available for Distribution	<u>\$17,066</u>

**T. CASH FLOW**

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

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	153,651	156,724	159,858	163,056	166,317
Less Oper. Expenses	131,085	135,018	139,068	143,240	147,537
Net Income	22,566	21,706	20,790	19,815	18,779
Less Debt Service	5,500	5,500	5,500	5,500	5,500
Cash Flow	17,066	16,206	15,290	14,315	13,279
Debt Coverage Ratio	4.10	3.95	3.78	3.60	3.41

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	169,643	173,036	176,497	180,026	183,627
Less Oper. Expenses	151,963	156,522	161,218	166,055	171,036
Net Income	17,680	16,514	15,279	13,972	12,591
Less Debt Service	5,500	5,500	5,500	5,500	5,500
Cash Flow	12,180	11,014	9,779	8,472	7,091
Debt Coverage Ratio	3.21	3.00	2.78	2.54	2.29

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	187,300	191,046	194,866	198,764	202,739
Less Oper. Expenses	176,167	181,452	186,896	192,503	198,278
Net Income	11,132	9,593	7,971	6,261	4,461
Less Debt Service	5,500	5,500	5,500	5,500	5,500
Cash Flow	5,632	4,093	2,471	761	-1,039
Debt Coverage Ratio	2.02	1.74	1.45	1.14	0.81

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

**U. Building-by-Building Information**

**Must Complete**

<b>Number of BINS:</b>	1
------------------------	---

Qualified basis must be determined on a building-by building basis. Complete the section below. Building street addresses are required by the IRS (must have them by the time of allocation request).

**FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN BUILDING GRID**

Please help us with the process:  
**DO NOT use the CUT feature**  
**DO NOT SKIP LINES BETWEEN BUILDINGS**

Bldg #	BIN if known	NUMBER OF		Street Address 1	Street Address 2	City	State	Zip	30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit					
		TAX CREDIT UNITS	MARKET RATE UNITS						Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount		
1.		21		458 N Madison Road		Orange	VA	22960										\$12,784,980	07/01/25	9.00%	\$1,150,648	
2.																						\$0
3.																						\$0
4.																						\$0
5.																						\$0
6.																						\$0
7.																						\$0
8.																						\$0
9.																						\$0
10.																						\$0
11.																						\$0
12.																						\$0
13.																						\$0
14.																						\$0
15.																						\$0
16.																						\$0
17.																						\$0
18.																						\$0
19.																						\$0
20.																						\$0
21.																						\$0
22.																						\$0
23.																						\$0
24.																						\$0
25.																						\$0
26.																						\$0
27.																						\$0
28.																						\$0
29.																						\$0
30.																						\$0
31.																						\$0
32.																						\$0
33.																						\$0
34.																						\$0
35.																						\$0

21      0 If development has more than 35 buildings, contact Virginia Housing.

Totals from all buildings

\$0

\$0

\$12,784,980

\$0

\$0

\$1,150,648

Number of BINS: 1

**V. STATEMENT OF OWNER**

---

The undersigned hereby acknowledges the following:

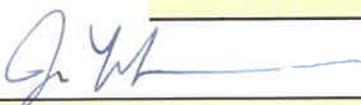
1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless Virginia Housing and its assigns against all losses, costs, damages, Virginia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

V. STATEMENT OF OWNER

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

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

Legal Name of Owner Madison Road Apartments LLC

By:  , Jim LaGraffe  
Its: Executive Director of RRCS, the Managing Member  
(Title)

V. STATEMENT OF ARCHITECT

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

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

Legal Name of Architect:	Dex A. Sanders
Virginia License#:	008814
Architecture Firm or Company:	Sanders Architecture, PC

By:  \_\_\_\_\_

Its: Owner  
(Title)

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

**W. LIHTC SELF SCORE SHEET**

**Self Scoring Process**

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

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

**MANDATORY ITEMS:**

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

**1. READINESS:**

a. Virginia Housing notification letter to CEO (via Locality Notification Information App)	Y	0 or -50	0.00
b. Local CEO Opposition Letter	N	0 or -25	0.00
c. Plan of development	Y	0 to 10	10.00
d. Location in a revitalization area based on Qualified Census Tract	N	0 or 10	0.00
e. Location in a revitalization area with resolution	Y	0 or 15	15.00
f. Location in a Opportunity Zone	N	0 or 15	0.00
<b>Total:</b>			<b>25.00</b>

**2. HOUSING NEEDS CHARACTERISTICS:**

a. Sec 8 or PHA waiting list preference	Y	0 or up to 5	5.00
b. Existing RD, HUD Section 8 or 236 program	N	0 or 20	0.00
c. Subsidized funding commitments	5.48%	Up to 40	10.95
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	0%	0, 20, 25 or 30	0.00
g. Development provided priority letter from Rural Development	N	0 or 15	0.00
h. Dev. located in area with increasing rent burdened population	Y	Up to 20	20.00
<b>Total:</b>			<b>35.95</b>

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			61.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 50	<u>0.00</u>
or c. HUD 504 accessibility for 10% of units	Y	0 or 20	<u>20.00</u>
d. Provides approved resident services or eligible childcare services	N	0 or 15	<u>0.00</u>
e. Provides telephonic or virtual health services	N	0 or 15	<u>0.00</u>
f. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	<u>10.00</u>
g. Development will be Green Certified	Y	0 or 10	<u>10.00</u>
h. Units constructed to meet Virginia Housing's Universal Design standards	100%	Up to 15	<u>15.00</u>
i. Developments with less than 100 low income units	Y	up to 20	<u>20.00</u>
j. Historic Structure eligible for Historic Rehab Credits	N	0 or 5	<u>0.00</u>
Total:			<u><u>136.00</u></u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$92,800	\$71,300

a. Less than or equal to 20% of units having 1 or less bedrooms	N	0 or 15	<u>0.00</u>
b. <plus> Percent of Low Income units with 3 or more bedrooms	0.00%	Up to 15	<u>0.00</u>
c. Units with rent and income at or below 30% of AMI and are not subsidized (up to	0.00%	Up to 10	<u>0.00</u>
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	14.29%	Up to 10	<u>10.00</u>
e. Units with rent and income at or below 50% of AMI	52.38%	Up to 50	<u>50.00</u>
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	52.38%	Up to 25	<u>0.00</u>
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	52.38%	Up to 50	<u>0.00</u>
Total:			<u><u>60.00</u></u>

5. SPONSOR CHARACTERISTICS:

a. Experienced Sponsor - 1 development in Virginia	N	0 or 5	<u>0.00</u>
b. Experienced Sponsor - 3 developments in any state	N	0 or 15	<u>0.00</u>
c. Developer experience - life threatening hazard	N	0 or -50	<u>0.00</u>
d. Developer experience - noncompliance	N	0 or -15	<u>0.00</u>
e. Developer experience - did not build as represented (per occurrence)	0	0 or -2x	<u>0.00</u>
f. Developer experience - failure to provide minimum building requirements (per occurrence)	0	0 or -50 per ite	<u>0.00</u>
g. Developer experience - termination of credits by Virginia Housing	N	0 or -10	<u>0.00</u>
h. Developer experience - exceeds cost limits at certification	N	0 or -50	<u>0.00</u>
i. Socially Disadvantaged Principal owner 25% or greater	N	0 or 5	<u>0.00</u>
j. Management company rated unsatisfactory	N	0 or -25	<u>0.00</u>
k. Experienced Sponsor partnering with Local Housing Authority pool applicant	N	0 or 5	<u>0.00</u>
Total:			<u><u>0.00</u></u>

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	<u>116.07</u>
b. Cost per unit		Up to 100	<u>37.90</u>
Total:			<u><u>153.97</u></u>

7. BONUS POINTS:

a. Extended compliance	0 Years	40 or 50	<u>0.00</u>
or b. Nonprofit or LHA purchase option	Y	0 or 60	<u>60.00</u>

or c. Nonprofit or LHA Home Ownership option	N	0 or 5	<u>0.00</u>
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N	Up to 30	<u>0.00</u>
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N	0 or 10	<u>0.00</u>
f. Team member with Diversity, Equity and Inclusion Designation	N	0 or 5	<u>0.00</u>
g. Commitment to electronic payment of fees	Y	0 or 5	<u>5.00</u>
	Total:		<u><u>65.00</u></u>
400 Point Threshold - all 9% Tax Credits			<b>TOTAL SCORE:</b>
300 Point Threshold - Tax Exempt Bonds			<u><u>475.92</u></u>

**Enhancements:**

All units have:	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance material	40	40.00
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	0.00
e. Rehab only: Infrastructure for high speed internet/broadband	1	0.00
f. N/A for 2022	0	0.00
g. Each unit provided free individual high speed internet access	10	0.00
h. Each unit provided free individual WiFi	12	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	0.00
j. Baths equipped with humidistat	3	3.00
k. Cooking Surfaces equipped with fire prevention features	4	0.00
l. Cooking surfaces equipped with fire suppression features	2	2.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	5.00
o. All interior doors within units are solid core	3	3.00
p. USB in kitchen, living room and all bedrooms	1	1.00
q. LED Kitchen Light Fixtures	2	2.00
r. % of renewable energy electric systems	10	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>61.00</u>
All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
w. Shelf or Ledge at entrance within interior hallway	2	0.00
		<u>0.00</u>
<b>Total amenities:</b>		<b><u>61.00</u></b>

X. Development Summary

Summary Information 2023 Low-Income Housing Tax Credit Application For Reservation

Deal Name: Madison Road Apartments

Cycle Type: 9% Tax Credits Requested Credit Amount: \$750,000  
 Allocation Type: New Construction Jurisdiction: Orange County  
 Total Units: 21 Population Target: General  
 Total LI Units: 21  
 Project Gross Sq Ft: 27,660.00 Owner Contact: Jim LaGrafte  
 Green Certified? TRUE

**Total Score**  
475.92

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$5,095,457	\$242,641	\$184	\$5,500
Grants	\$0	\$0		
Subsidized Funding	\$645,457	\$30,736		

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$7,740,000	\$368,571	\$280	65.66%
General Req/Overhead/Profit	\$1,024,000	\$48,762	\$37	8.69%
Other Contract Costs	\$142,000	\$6,762	\$5	1.20%
Owner Costs	\$1,236,250	\$58,869	\$45	10.49%
Acquisition	\$645,457	\$30,736	\$23	5.48%
Developer Fee	\$1,000,000	\$47,619	\$36	8.48%
<b>Total Uses</b>	<b>\$11,787,707</b>	<b>\$561,319</b>		

Total Development Costs	
Total Improvements	\$10,142,250
Land Acquisition	\$645,457
Developer Fee	\$1,000,000
<b>Total Development Costs</b>	<b>\$11,787,707</b>

Income		
Gross Potential Income - LI Units		\$165,792
Gross Potential Income - Mkt Unit:		\$0
Subtotal		\$165,792
Less Vacancy %	7.00%	\$11,605
<b>Effective Gross Income</b>		<b>\$154,187</b>

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$29,235	\$1,392
Utilities	\$21,650	\$1,031
Operating & Maintenance	\$41,300	\$1,967
Taxes & Insurance	\$32,600	\$1,552
<b>Total Operating Expenses</b>	<b>\$124,785</b>	<b>\$5,942</b>
Replacement Reserves	\$6,300	\$300
<b>Total Expenses</b>	<b>\$131,085</b>	<b>\$6,242</b>

Cash Flow	
EGI	\$154,187
Total Expenses	\$131,085
<b>Net Income</b>	<b>\$23,102</b>
Debt Service	\$5,500
<b>Debt Coverage Ratio (YR1):</b>	<b>4.20</b>

Proposed Cost Limit/Sq Ft: \$403  
 Applicable Cost Limit/Sq Ft: \$497  
 Proposed Cost Limit/Unit: \$530,583  
 Applicable Cost Limit/Unit: \$533,792

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	18
# of 2BR	3
# of 3BR	0
# of 4+ BR	0
<b>Total Units</b>	<b>21</b>

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	3
50% AMI	11	8
60% AMI	10	10
>60% AMI	0	0
Market	0	0

Income Averaging? FALSE

Extended Use Restriction? 30

**Y. Efficient Use of Resources**

**Credit Points for 9% Credits:**

If the Combined Max Allowable Credits is \$500,000 and the annual credit requested is \$200,000, you are providing a 60% savings for the program. This deal would receive all 200 credit points.

For another example, the annual credit requested is \$300,000 or a 40% savings for the program. Using a sliding scale, the credit points would be calculated by the difference between your savings and the desired 60% savings. Your savings divided by the goal of 60% times the max points of 200. In this example,  $(40\%/60\%) \times 200$  or 133.33 points.

Tax Exempt Deals are granted a starting point value greater than zero to allow for the nature of these deals.

Combined Max	\$1,150,648
Credit Requested	\$750,000
% of Savings	34.82%
Sliding Scale Points	116.07

**Cost Points:**

If the Applicable Cost by Square foot is \$238 and the deal’s Proposed Cost by Square Foot was \$119, you are saving 50% of the applicable cost. This deal would receive all 100 cost points.

For another example, the Applicable Cost by SqFt is \$238 and the deal’s Proposed Cost is \$153.04 or a savings of 35.70%. Using a sliding scale, your points would be calculated by the difference between your savings and the desired 50% savings. Your savings divided by the goal of 50% times the max points 100. In this example,  $(35.7\%/50\%) \times 100$  or 71.40 points.

Total Costs Less Acquisition	\$11,142,250
Total Square Feet	27,660.00
Proposed Cost per SqFt	\$402.83
Applicable Cost Limit per Sq I	\$497.00
% of Savings	18.95%
Total Units	21
Proposed Cost per Unit	\$530,583
Applicable Cost Limit per Uni	\$533,792
% of Savings	0.60%
Max % of Savings	18.95%
Sliding Scale Points	37.90

# Tab A:

Organizational Documents, developer fee agreement and Org Chart for this deal  
(MANDATORY)

OPERATING AGREEMENT  
OF  
MADISON ROAD APARTMENTS, LLC

THIS OPERATING AGREEMENT, dated as of March 15, 2023 by and among the undersigned members of MADISON ROAD APARTMENTS, LLC, a Virginia limited liability company (the "Company"), provides as follows:

RECITALS:

A. The undersigned parties have caused the Company to be organized as a limited liability company under the laws of the Commonwealth of Virginia effective as of the date hereof.

B. The undersigned parties desire to set forth the terms and conditions on which the management, business and financial affairs of the Company shall be conducted as set forth below.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, covenants and conditions herein contained, the parties do hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

1.01 The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

(a) "Act" shall mean the Virginia Limited Liability Company Act, Va. Code Ann. § 13.1-1000 et seq., as amended and in force from time to time.

(b) "Articles" shall mean the articles of organization of the Company, as amended and in force from time to time.

(c) "Capital Contribution" shall mean any contribution to the capital of the Company by a Member in cash, property or services, or a binding obligation to contribute cash, property or services, whenever made. "Initial Capital Contribution" shall mean the initial contribution to the capital of the Company of a Member pursuant to this Operating Agreement.

(d) "Code" shall mean the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.

(e) "Company" shall refer to Madison Road Apartments, LLC.

(f) "Entity" shall mean any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or other association.

(g) "Manager" shall mean a manager of the Company, whose rights, powers and duties are specified in Article V hereof.

(h) "Member" shall mean each Person that is specifically identified as a Member in Article III hereof or is admitted as a Member (either as a transferee of a Membership Interest or as an additional Member) as provided in Article VII hereof. A Person shall cease to be a Member at such time as he no longer owns any Membership Interest.

(i) "Membership Interest" shall mean the ownership interest of a Member in the Company, which may be expressed as a percentage equal to such Member's aggregate Capital Contributions divided by the aggregate Capital Contributions of all Members.

(j) "Operating Agreement" shall mean this Operating Agreement, as originally executed and as amended from time to time.

(k) "Person" shall mean any natural person or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so admits.

## ARTICLE II

### PURPOSE AND POWERS OF COMPANY

2.01 Purpose. The purpose of the Company shall be to act in managing, owning, conveying, leasing and all other activities attendant to the ownership and/or managing of real or rental property including acquisition of real property including options thereon. The Company shall be entitled to engage in any other business not prohibited by the Act or the Articles.

2.02 Powers. The Company shall have all powers and rights of a limited liability company organized under the Act, to the extent such powers and rights are not prescribed by the Articles.

### ARTICLE III

#### NAMES AND ADDRESSES OF MEMBERS: PRINCIPAL OFFICE

3.01 Names and Addresses. The name, address and ownership interest of the initial Member is as follows:

Management MRA, LLC            100%  
15361 Bradford Rd.  
Culpeper, VA 22701.

3.02 Principal Office. The principal office of the Company shall initially be at 15361 Bradford Rd., Culpeper, Virginia 22701. The principal office may be changed from time to time by the Members.

### ARTICLE IV

#### MANAGEMENT BY MEMBERS

4.01 In General. The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Members, and the Members shall be entitled to make all decisions and take all actions for the Company, including but not limited to the following:

- (a) Entering into, making and performing contracts, agreements and other undertakings binding the Company that may be necessary, appropriate or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder.
- (b) Opening and maintaining bank and investment accounts and arranging, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements.
- (c) Collecting funds due to the Company.
- (d) Acquiring, utilizing for the Company's purposes, maintaining and disposing of any assets of the Company.
- (e) To the extent that funds of the Company are available therefor, paying debts and obligations of the Company.
- (f) Borrowing money or otherwise committing the credit of the Company for Company activities, and voluntarily prepaying or extending any such borrowings.

(g) Engaging, removing, and changing the authority and responsibility of attorneys, accountants and consultants.

(h) Obtaining insurance for the Company.

(i) Declaring or setting the payment date or form of payment of any distributions pursuant to Section 6.05 hereof.

(j) Amending the Articles.

4.02 Action by Members. In managing the affairs of the Company and exercising its powers, the Members shall act collectively through meetings and/or written consents as provided in this Article or through a Manager or Managers to whom authority and duties have been delegated pursuant to Article V hereof.

4.03 Required Consent for Action. The decision of the Member or Members holding a majority of the Membership Interests from time to time shall prevail and be the decision of the Company with respect to any matter regarding the management or affairs of the Company, or which requires the determination, consent, approval or agreement of the Members, except as otherwise provided by the Act or the Articles, or unless this Agreement specifically provides that such decision shall be made by a particular percentage of Membership Interests or number of Members other than the Member or Members holding a majority of the Membership Interests. By way of example and not limitation, any provision in this Agreement that requires the consent or determination of the Members as to a particular matter but does not specify a particular percentage of Membership Interests or number of Members necessary for such consent or determination shall be interpreted to require the consent or determination of the Member or Members holding a majority of the Membership Interests.

4.04 Actions Requiring Unanimous Consent. Notwithstanding Section 4.03 hereof or any other provision of this Agreement, the unanimous consent of the Members shall be necessary and sufficient in order for any of the following actions to be taken from time to time on behalf of the Company:

(a) Fixing or modifying the salary paid to any Member or fixing or paying any bonus or other compensation to any Member.

(b) Declaring or setting the payment date or form of payment of any distributions pursuant to Section 6.5 hereof.

(c) Electing or removing any Manager or Managers of the Company.

(d) Confessing a judgment against the Company in excess of \$10,000.

(e) Endorsing any note in excess of \$10,000, or acting as an accommodation

party or otherwise becoming a surety or guarantor for any other person in an amount exceeding \$10,000.

(f) Obtaining any loans or borrowings in excess of \$25,000 or requiring the personal guarantee of any Member or Members.

(g) Making any loan or advance on behalf of the Company to any other party in excess of \$10,000.

(h) Amending the Articles.

(i) Any other matter which under the express terms of this Operating Agreement requires the unanimous consent of the Members.

4.05 Annual Meeting. The annual meeting of the Members shall be held on the 5<sup>th</sup> day of January in Culpeper of each year at 12:00 o'clock p.m., or at such other time as shall be determined by the Members for the purpose of the transaction of such business as may come properly before the meeting.

4.06 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, shall be called at the request of any Member.

4.07 Place of Meetings. The place of any meeting of the Members shall be the principal office of the Company, unless another place is designated by the Member or Members calling the meeting, and if such place is not within the County of Culpeper, Virginia, such other meeting place is consented to by all the Members.

4.08 Notice of Meetings. Written notice stating the place, day and hour of any meeting of the Members and, if a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 60 days before the date of the meeting, either personally or by mail, by or at the direction of the Person or Persons calling the meeting, to each Member, unless the Act or the Articles require different notice.

4.09 Conduct of Meetings. All meetings of the Members shall be presided over by a chairman of the meeting, who shall be designated by the Members. The chairman of any meeting of Members shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seen to him in order, and shall appoint a secretary of such meeting to take minutes thereof.

4.10 Participation by Telephone or Similar Communications. Members may participate and hold a meeting by means of conference telephone or similar communications equipment by means of which all Members participating can hear and be heard, and such participation shall constitute attendance and presence in person at such meeting.

4.11 Waiver of Notice. When any notice of a meeting of the Members is required to be given, a waiver thereof in writing signed by a Member entitled to such notice, whether given before, at, or after the time of the meeting as stated in such notice, shall be equivalent to the proper giving of such notice.

4.12 Action by Written Consent. Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if one or more written consents to such action are signed by the requisite number of Members. Such consent or consents shall be filed with the minutes of the meetings of the Members. Action taken under this Section is effective when the requisite number of Members have signed the consent or consents, unless the consent or consents specify a different effective date.

## ARTICLE V

### MANAGERS

5.01 Election, etc. of Managers: Initial Manager. One or more Managers may be elected from time to time by the Members, to serve until the next annual meeting of the Members and until their successor or successors are elected and qualified, or such shorter term as may be specified by the Members. Any Manager may be removed by the Members with or without cause at any time, and it shall be in the discretion of the Members whether and at what time to elect a replacement Manager or Managers. A Manager may, but shall not be required to, be selected from among the Members. The initial Manager hereby elected by the sole member (or members) shall be Management MRA, LLC.

5.02 Authority of Managers. The Members may, but shall be under no obligation to, from time to time delegate to one or more Managers such authority and duties as the Members may deem advisable. The Members may assign titles (including, without limitation President, Vice-President, Secretary and Treasurer) to any Manager. Unless the Members determine otherwise, if a title assigned to a Manager is one commonly used for officers of a business corporation formed under Virginia law, the assignment of such title shall constitute the delegation to such Manager of the authorities and duties that are customarily associated with that office, subject to any specific delegation of authorities and duties made pursuant to the first sentence of this Section. Any number of titles (except President and Vice-President) may be held by the same Manager. Any delegation of authority and duties to a Manager or Managers pursuant to this Section may be revoked at any time by the Members, with or without cause.

5.03 Reliance by Other Persons. Any Person dealing with the Company, other than a Member, may rely on the authority of any Manager in taking any action in the name of the Company, if the Manager provides to such Person a copy of the resolution or written consent of the Members granting such authority (whether such grant is general or specific in nature) certified in writing by such Manager to be genuine and correct and to not have been revoked, superseded or otherwise amended.

5.04 No Authority. Unless authorized to do so by the express terms of this Operating Agreement, or by the Members under the terms set forth herein, no Manager, Member, agent, or employee of the Company or any other Person shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose.

## ARTICLE VI

### CONTRIBUTIONS TO THE COMPANY AND DISTRIBUTIONS

6.01 Initial Capital Contributions. Each initial Member shall contribute \$100.00 in cash or by bank check as his initial Capital Contribution. The initial Capital Contribution to be made by any person who after the date hereof is admitted as a Member and acquires his Membership Interest from the Company shall be determined by the unanimous consent of the Members.

6.02 Additional Capital Contributions. No Member shall be required to make any capital contribution in addition to his initial Capital Contribution, except upon the unanimous consent of the Members.

6.03 Interests and Return of Capital Contribution. No Member shall receive any interest on his Capital Contribution. Except as otherwise expressly provided for herein, the Members shall not be allowed to withdraw or have refunded any Capital Contribution.

6.04 Effect of Sale or Exchange. In the event of a permitted sale or other transfer of a Membership Interest in the Company, the Capital Contributions of the transferor shall become the Capital Contributions of the transferee to the extent they relate to the transferred Membership Interest.

6.05 Distributions. All distributions of cash or other property (except upon the Company's dissolution, which shall be governed by the applicable provisions of the Act and Article VIII hereof) shall be made to the Members in proportion to their respective Membership Interests. All distributions of cash or property shall be made at such time and in such amounts as determined by the Members. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Section.

6.06 Allocations. All items of income, gain, loss, deduction and credit, whether resulting from the Company's operations or in connection with its dissolution, shall be allocated to the Members for federal, state and local income tax purposes in proportion to their respective Membership Interests.

## ARTICLE VII

### ASSIGNMENT; RESIGNATION

7.01 Assignment Generally. The Membership Interest of a Member shall not be sold, exchanged, conveyed, transferred, or otherwise assigned, either in whole or in part, except as provided in Section 7.03 hereof or upon the unanimous consent of the Members. Notwithstanding the preceding sentence, no assignee of a Membership Interest shall become a Member of the Company except upon the unanimous consent of the Members.

7.02 Encumbrances. The Membership Interest of a Member shall not be pledged, hypothecated, subjected to a security interest or otherwise encumbered except upon the unanimous consent of the Members. Notwithstanding the preceding sentence, no Person who acquires any Membership Interest as a result of such an encumbrance shall become a Member except upon the unanimous consent of the Members.

7.03 Purchase of Certain Membership Interests. If, at any time or from time to time, a Withdrawal Event occurs with respect to any Member (the "Withdrawing Member"), and the remaining Members unanimously consent to continue the business of the Company as provided in Section 8.01(c) hereof, the Company shall purchase from the Withdrawing Member, and the Withdrawing Member shall sell to the Company, the entire Membership Interest owned by the Withdrawing Member for a purchase price equal to the Agreement Purchase Price and on the Agreement Purchase Terms (both as defined below). For purposes of the foregoing, a "Withdrawal Event" shall occur with respect to a Member if such Member dies or if such Member, on or after the date on which such Member has been a Member of the Company for at least twelve (12) months, delivers written notice to the Company and each remaining Member of such Member's desire to resign from the Company and have his Membership Interest purchased pursuant to this Article VII. For purposes hereof, the term "Withdrawing Member" shall include the Withdrawing Member's personal representative.

7.04 Agreement Purchase Price.

(a) The "Agreement Purchase Price" for any purchase pursuant to Section 7.03 hereof shall be an aggregate purchase price for the Withdrawing Member's entire Membership Interest. The Agreement Purchase Price shall be calculated by (i) multiplying the Company Fair Market Value (as defined below) by the Withdrawing Member's Membership Interest (expressed as a fraction) and (ii) further multiplying such result by the Vested Percentage (as defined below).

(b) For purposes of this Article, the "Company Fair Market Value" shall equal the fair market value of the Company, determined as of the last day of the month preceding the month in which the obligation to purchase the Withdrawing Member's Membership Interest arises (the "Valuation Date"). The Company Fair Market Value shall take into account all relevant factors, including without limitation the profits and losses of the Company for the current and recent preceding years, the prospects for profits or losses of the Company in the

future, the character, age, condition and state of repair of the Company's property, the extent and maturity of the Company's liabilities, the likelihood of contingent liabilities of the Company becoming actual liabilities, and other factors of similar or dissimilar nature which bear upon the Company's fair market value. The Company Fair Market Value shall be determined (i) by agreement of the Withdrawing Member and the Company or (ii) if no such agreement is reached within sixty (60) days after the Valuation Date (or, if applicable, the date of qualification of a deceased Withdrawing Member's personal representative, if later), by a qualified and disinterested business appraiser (the "Appraiser") jointly selected by the Withdrawing Member and the Company within twenty (20) days after the expiration of the aforesaid 60-day period. If the parties are unable to agree upon an Appraiser, the Company Fair Market Value shall be equal to the average of appraisals made independently by two Appraisers, one selected by the Withdrawing Member and the other selected by the Company, provided that the higher appraisal does not exceed the lower by more than 10%. Each party shall select an Appraiser and deliver written notice of the Appraiser's name and address to the other party within forty (40) days after the expiration of the above 60-day period. The Member or Members holding a majority of the Membership Interests other than that held by the Withdrawing Member shall choose the Appraiser on behalf of the Company. If the higher of the two appraisals exceeds the lower by more than 10%, a third Appraiser shall be selected by the first two Appraisers, and the Company Fair Market Value shall equal the average of the two appraisals closest in value. If a party fails to appoint an Appraiser as required by this subsection, the other Appraiser or Appraisers so appointed shall act alone, and his or their decision shall be binding on all parties hereunder. The cost of an Appraiser mutually selected by the Withdrawing Member and the Company, as well as the cost of an Appraiser selected by the Company if there is no mutual agreement, shall be borne by the Company. The cost of any Appraiser selected by the Withdrawing Member in the case of no mutual agreement shall be borne by the Withdrawing Member. The cost of any third Appraiser chosen by the first two Appraisers shall be borne equally by the Company and the Withdrawing Member.

(c) For purposes of this Article, the Vested Percentage shall equal (i) 50% if the Withdrawing Member has been a Member of the Company less than 24 months as of the Valuation Date, (ii) 70% if the Withdrawing Member has been a Member of the Company at least 24 months but less than 36 months as of the Valuation Date, and (iii) 75% if the Withdrawing Member has been a Member of the Company 36 months or more as of the Valuation Date.

7.05 Agreement Purchase Terms. The "Agreement Purchase Terms" shall be as follows:

(a) The settlement date for any purchase under Section 7.03 hereof by the Company shall be such date as may be mutually agreed upon by the Company and the Withdrawing Member, but in no event shall such settlement date be more than one hundred twenty (120) days after the date on which the Agreement Purchase Price has been conclusively determined.

(b) On such settlement date, the Withdrawing Member shall transfer, assign and deliver to the Company the Membership Interest purchased, with good and sufficient title and free and clear of all pledges, encumbrances and security interests, and the Company shall pay, in cash or by certified check, ten percent (10%) of the Agreement Purchase Price, or in the event of a purchase as a result of the death of the Withdrawing Member, all life insurance proceeds that are receivable as a lump sum by the Company as a result of the Withdrawing Member's death, whichever is greater. The balance of the Agreement Purchase Price shall be represented by the Company's execution and delivery of a promissory note to the Withdrawing Member on such settlement date (the "Note").

(c) The Note shall be secured by a pledge agreement executed by each remaining Member and the Withdrawing Member on such settlement date (a "Pledge Agreement"). Each Pledge Agreement shall grant a security interest in a portion of the Membership Interest owned by the remaining Member that is a party to such Pledge Agreement. Such portion shall be calculated by multiplying (i) the entire Membership Interest owned by the remaining Member (expressed as a percentage) immediately after the purchase by (ii) the Membership Interest being purchased by the Company from the Withdrawing Member (expressed as a percentage). By way of example and not limitation, assume that prior to the purchase of a Withdrawing Member's entire Membership Interest, each Member owned a 33-1/3% Membership Interest. After the purchase the two remaining Members each will own a 50% Membership Interest. On the settlement date, each remaining Member will grant a security interest in a portion of his Membership Interest equal to 50% (the Membership Interest owned by the remaining Member immediately after the purchase) multiplied by 33-1/3% (the Membership Interest purchased by the Company from the Withdrawing Member), which equals a 16-2/3% Membership Interest. Each remaining Member's remaining 33-1/3% (50% minus 16-2/3%) Membership Interest would not be subject to such security interest.

#### 7.06 Other Terms Relating to Purchase.

(a) If at a time when the Company has an obligation to purchase a Withdrawing Member's Membership Interest pursuant to Section 7.03 hereof, it is prohibited from purchasing all or any portion of such Membership Interest pursuant to the Act or any loan agreement or similar restrictive agreement, the Withdrawing Member and the remaining Members shall, to the extent permitted by law, take appropriate action to adjust the value of the Company's assets from book value to a fair valuation based on accounting practices and principles that are reasonable in the circumstances in order to permit the Company to purchase such Membership Interest. In the event the Company becomes obligated to purchase a Withdrawing Member's Membership Interest under Section 7.03 hereof and the above action cannot be taken or does not create sufficient value to permit the Company to do so, the Company shall be obligated or entitled, as the case may be, to purchase the portion of the Membership Interest it is permitted to purchase, with a proportionate reduction in the aggregate Agreement Purchase Price.

(b) In order to fund any obligations under this Agreement, the Company or the

Members may maintain such life insurance policies on the lives of one or more Members as the Members determine from time to time to be desirable.

7.07 Absolute Prohibition. Notwithstanding any other provision in this Article VII, (a) the Membership Interest of a Member, in whole or in part, shall not be sold, exchanged, conveyed, transferred, or otherwise assigned, and (b) the Membership Interest of a Member, in whole or in part, or any rights to distributions therefrom, shall not be pledged, hypothecated, subjected to a security interest or otherwise encumbered, under any circumstances if, as a result thereof, the Company would be terminated for federal income tax purposes in the opinion of counsel for the Company.

7.08 Members Acquiring Membership Interest from Company. No Person who acquires a Membership Interest from the Company (other than the Members of the Company as of the date hereof) shall be admitted as a Member, except upon the unanimous consent of the Members.

7.09 Resignation. No Member shall be entitled to resign from the Company except as expressly provided in Section 7.03 hereof or upon the unanimous written consent of the Members.

7.10 Effect of Prohibited Action. Any assignment or other action in violation of this Article shall be void ab initio and of no force or effect whatsoever.

## ARTICLE VIII DISSOLUTION AND TERMINATION

8.01 Events of Dissolution. The Company shall be dissolved upon the first to occur of the following:

- (a) Any event which under the Articles requires dissolution of the Company.
- (b) The unanimous written consent of the Members to the dissolution of the Company.
- (c) The death, permitted resignation, bankruptcy or dissolution of a Member or the occurrence of any other event that terminates the continued membership of such Member in the Company, unless the business of the Company is continued by the consent of the remaining Members owning a majority of the Membership Interests owned by all the remaining Members.
- (d) The entry of a decree of judicial dissolution of the Company as provided in the Act.
- (e) Any event not set forth above which under the Act requires dissolution of

the Company.

8.02 Liquidation. Upon the dissolution of the Company, it shall wind up its affairs and distribute its assets in accordance with the Act by either or a combination of both of the following methods as the Members shall determine:

(a) Withdrawing the Company's assets and, after the payment of Company liabilities, distributing the net proceeds therefrom to the Members in proportion to their Membership Interests and in satisfaction thereof; and/or

(b) Distributing the Company's assets to the Members in kind with each Member accepting an undivided interest in the Company's assets, subject to its liabilities, in satisfaction of his Membership Interest. The interest conveyed to each Member in such assets shall constitute a percentage of the entire interests in such assets equal to such Member's Membership Interest.

8.03 Orderly Liquidation. A reasonable time as determined by the Members not to exceed eighteen (18) months shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities to the creditors so as to minimize any losses attendant upon dissolution.

8.04 Distributions. Upon liquidation, the Company assets (including any cash on hand) shall be distributed in the following order and in accordance with the following priorities:

(i) First, to the payment of the debts and liabilities of the Company and the expenses of liquidation, including a sales commission to the selling agent, if any; then

(ii) Second, to the setting up of any reserves which the Members (or the person or persons carrying out the liquidation) deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company. At the expiration of such period as the Members (or the person or persons carrying out the liquidation) shall deem advisable, but in no event to exceed 18 months, the Company shall distribute the balance thereof in the manner provided in the following subsections; then

(iii) Third, to the Members in proportion to their respective Membership Interests.

(iv) In the event of a distribution in liquidation of the Company's property in kind, the fair market value of such property shall be determined by a qualified and disinterested M.A.I. appraiser actively engaged in appraisal work in the Washington metropolitan area, selected by the Members (or the person or persons carrying out the liquidation), and each Member shall receive an undivided interest in such property equal to the portion of the proceeds to which he would be entitled under the immediately preceding subsections if such property were sold at such fair market value.

8.05 Taxable Gain or Loss. Taxable income, gain and loss from the sale or distribution of Company property incurred upon or during liquidation and termination of the Company shall be allocated to the Members as provided in Section 6.06 above.

8.06 No Recourse Against Members. Except as provided by law, upon dissolution, each Member shall look solely to the assets of the Company for the return of his Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Contribution of each Member, such Member shall have no recourse against any other Member.

## ARTICLE IX

### RECORDS, REPORTS, ETC.

9.01 Records. The Company shall maintain and make available to the Members its records to the extent provided in the Act.

9.02 Financial and Operating Statements and Tax Returns. Within ninety (90) days from the close of each fiscal year of the Company, the Company shall deliver to each Member a statement setting forth such Member's allocable share of all tax items of the Company for such year, and all such other information as may be required to enable each Member to prepare his federal, state and local income tax returns in accordance with all then applicable laws, rules and regulations. The Company also shall prepare and file all federal, state and local income tax returns required of it for each fiscal year.

9.03 Banking. The funds of the Company shall be kept in one or more separate bank accounts in the name of the Company in such banks or other federally insured depositories as may be designated by the Members or shall otherwise be invested in the name of the Company in such manner and upon such terms and conditions as may be designated by the Members. All withdrawals from any such bank accounts or investments established by the Members hereunder shall be made on such signature or signatures as may be authorized from time to time by the unanimous consent of the Members. Any account opened for the Company shall not be commingled with other funds of the Members or Managers or interested persons.

## ARTICLE X

### MISCELLANEOUS PROVISIONS

10.01 Attorneys' Fees. In the event any party brings an action to enforce any provisions of this Agreement, whether such action is at law, in equity or otherwise, and such party prevails in such action, such party shall be entitled, in addition to any other rights or remedies available to it, to collect from the non-prevailing party or parties the reasonable costs and expenses incurred in the investigation preceding such action and the prosecution of such action, including but not limited to reasonable attorneys' fees and court costs; provided all of the foregoing do not exceed

\$250.00.

10.02 Notices. Whenever, under the provisions of the Act or other law, the Articles or this Operating Agreement, notice is required to be given to any Person, it shall not be construed to mean exclusively personal notice unless otherwise specifically provided, but such notice may be given in writing, by mail, addressed to the Company at its principal office from time to time and to any other Person at his address as it appears on the records of the Company from time to time, with postage thereon prepaid. Any such notice shall be deemed to have been given at the time it is deposited in the United States mail. Notice to a Person may also be given personally or by telegram or telecopy sent to his address as it appears on the records of the Company. The address of the Members as shown on the records of the Company shall originally be those set forth in Article III hereof. Any Person may change his address as shown on the records of the Company by delivering written notice to the Company in accordance with this Section.

10.03 Application of Virginia Law. This Agreement, and the interpretation hereof, shall be governed exclusively by its terms and by the laws of the Commonwealth of Virginia, without reference to its choice of law provisions, and specifically the Act.

10.04 Amendments. No amendment or modification of this Operating Agreement shall be effective except upon the unanimous written consent of the Members.

10.05 Construction. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa.

10.06 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

10.07 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

10.08 Rights and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Such rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

10.09 Severability. If any provision of this Operating Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

10.10 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

10.11 Creditors. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditor of the Company.

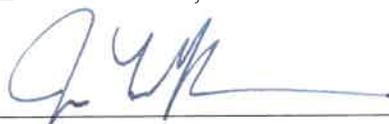
10.12 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10.13 Entire Agreement. This Agreement sets forth all of the promises, agreements, conditions and understandings between the parties respecting the subject matter hereof and supersedes all prior and contemporaneous negotiations, conversations, discussions, correspondence, memoranda and agreements between the parties concerning such subject matter.

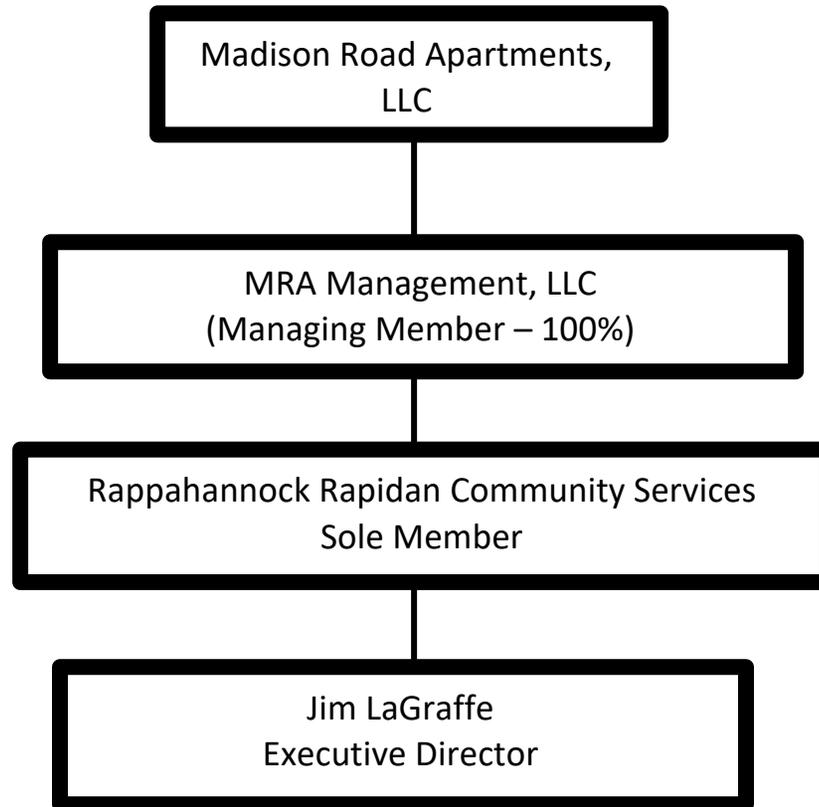
The undersigned, being all the Members of the Company, hereby agree, acknowledge and certify that the foregoing Operating Agreement constitutes the sole and entire Operating Agreement of the Company, unanimously adopted by the Members of the Company as of the date first written above

MEMBER:

MANAGEMENT MRA, LLC

By:   
James LaGraffe, Manager

# Madison Road Apartments Organizational Chart



## DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") made as of March 1, 2023, by and between **Rappahannock Rapidan Community Services**, a Virginia nonstock corporation (the "Developer") and **Madison Road Apartments LLC**, a Virginia limited liability company (the "Company").

### WITNESSETH:

WHEREAS, the Company has been formed to develop, construct, ground lease, maintain and operate certain property as low-income residential rental housing, to be known as Madison Road Apartments, to be located at 458 N Madison Road, Orange, Virginia 22960 (the "Project"); and

WHEREAS, the Project, following the completion of construction, is expected to constitute a "qualified low-income housing project" (as defined in Section 42(g)(1) of the Code).

WHEREAS, the Developer has provided and will continue to provide certain services with respect to the Project during the acquisition, development, rehabilitation and initial operating phases thereof.

WHEREAS, in consideration for such services, the Company has agreed to pay to the Developer certain fees computed in the manner stated herein.

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

Section 1. Development Services.

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

(b) The Developer's services shall be performed in the name and on behalf of the Company and shall consist of the duties set forth in subparagraphs (i)-(xiii) below of this Section 1(b) and as provided elsewhere in this Agreement; provided, however, that if the performance of any duty of the Developer set forth in this Agreement is beyond the reasonable control of the Developer, the Developer shall nonetheless be obligated to (i) use its best efforts to perform such duty and (ii) promptly notify the Company that the

performance of such duty is beyond its reasonable control. The Developer has performed or shall perform the following:

(i) Negotiate and cause to be executed in the name and on behalf of the Company any agreements for architectural, engineering, testing or consulting services for the Project, and any agreements for the construction of any improvements or tenant improvements to be constructed or installed by the Company or the furnishing of any supplies, materials, machinery or equipment therefor, or any amendments thereof, provided that no agreement shall be executed nor binding commitment made until the terms and conditions thereof and the party with whom the agreement is made have been approved by the managing member of the Company ("Managing Member") unless the terms, conditions, and parties comply with guidelines issued by the Managing Member concerning such agreements;

(ii) Assist the Company in identifying sources of construction financing for the Project and negotiate the terms of such financing with lenders;

(iii) Establish and implement appropriate administrative and financial controls for the design and construction of the Project, including but not limited to:

(A) coordination and administration of the Project architect, the general contractor, and other contractors, professionals and consultants employed in connection with the design or rehabilitation of the Project;

(B) administration of any construction contracts on behalf of the Company;

(C) participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design and construction procedures;

(D) the rendering of advice and recommendations as to the selection of subcontractors and suppliers;

(E) the review and submission to the Company for approval of all requests for payments under any architectural agreement, general contractor's agreement, or any construction loan agreements with any lending institutions providing funds for the benefit of the Company for the design or construction of any improvements;

(F) the submission of any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Project;

(G) applying for the maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction of the Project;

(H) compliance with all terms and conditions applicable to the Company or the Project contained in any governmental permit or approval required or obtained for the lawful construction of the Project, or in any insurance policy affecting or covering the Project, or in any surety bond obtained in connection with the Project;

(I) furnishing such consultation and advice relating to the construction of the Project as may be reasonably requested from time to time by the Company;

(J) keeping the Company fully informed on a regular basis of the progress of the design and construction of the Project, including the preparation of such reports as are provided for herein or as may reasonably be requested by the Company and which are of a nature generally requested or expected of construction managers or similar owner's representatives on similar projects;

(K) giving or making the Company's instructions, requirements, approvals and payments provided for in the agreements with the Project architect, general contractor, and other contractors, professionals and consultants retained for the Project; and

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

(iv) Inspect the progress of the course of construction of the Project, including verification of the materials and labor being furnished to and on such construction so as to be fully competent to approve or disapprove requests for payment made by the Project architect and the general contractor, or by any other parties with respect to the design or

construction of the Project, and in addition to verify that the construction is being carried out substantially in accordance with the plans and specifications approved by the Company or, in the event construction is not being so carried out, to promptly notify the Company;

(v) If requested to do so by the Company, perform on behalf of the Company all obligations of the Company with respect to the design or construction of the Project contained in any loan agreement or security agreement in connection with the Project, or in any lease or rental agreement relating to space in the Project, or in any agreement entered into with any governmental body or agency relating to the terms and conditions of such construction, provided that copies of such agreements have been provided by the Company to the Developer or the Company has otherwise notified the Developer in writing of such obligations;

(vi) To the extent requested to do so by the Company, prepare and distribute to the Company a critical path schedule, and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, other design or construction cost estimates as required by the Company, and financial accounting reports, including monthly progress reports on the quality, progress and cost of construction and recommendations as to the drawing of funds from any loans arranged by the Company to cover the cost of design and construction of the Project, or as to the providing of additional capital contributions should such loan funds for any reason be unavailable or inadequate;

(vii) At the Company's expense, obtain and maintain insurance coverage for the Project, the Company, the management agent of the Project ("Management Agent"), and the Developer and its employees, at all times until final completion of construction of the Project, in accordance with an insurance schedule approved by the Company, which insurance shall include general public liability insurance covering claims for personal injury, including but not limited to bodily injury, or property damage, occurring in or upon the Property or the streets, passageways, curbs and vaults adjoining the Property. Such insurance shall be in a liability amount approved by the Company;

(viii) To the extent applicable to the construction of the Project, comply with all present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter in this subparagraph (ix) called "laws") of all federal, state and municipal governments, courts, departments, commissions, boards and offices having jurisdiction over the Project. Any such compliance undertaken by the Developer on behalf of and in the name of the Company, in accordance with the provisions of this Agreement, shall be at the Company's expense. The Developer shall likewise ensure that all agreements between the Company and independent

contractors performing work in connection with the construction of the Project shall include the agreement of said independent contractors to comply with all such applicable laws;

(ix) Assemble and retain all contracts, agreements and other records and data as may be necessary to carry out the Developer's functions hereunder. Without limiting the foregoing, the Developer will prepare, accumulate and furnish to the Company and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of improvements in place as of each real property tax lien date, and will take application for appropriate exclusions from the capital costs of the Project for purposes of real property ad valorem taxes;

(x) Coordinate and administer the design and construction of all interior tenant improvements to the extent required under any leases or other occupancy agreements to be constructed or furnished by the Company with respect to the initial leasing of space in the Project, whether involving building standard or non-building standard work;

(xi) Use its best efforts to accomplish the timely completion of the Project in accordance with the approved plans and specifications and the time schedules for such completion approved by the Company;

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

(xiii) Perform and administer any and all other services and responsibilities of the Developer which are set forth in any other provisions of this Agreement, or which are requested to be performed by the Company and are within the general scope of the services described herein.

Section 2. Limitations and Restrictions. Notwithstanding any provisions of this Agreement, the Developer shall not take any action, expend any sum, make any decision, give any consent, approval or authorization, or incur any obligation with respect to any of the following matters unless and until the same has been approved by the Company:

(a) Approval of all construction and architectural contracts and all architectural plans, specifications and drawings prior to the construction and/or alteration of any improvements contemplated thereby, except for such matters as may be expressly delegated in writing to the Developer by the Company;

(b) Any proposed change in the work of the construction of the Project, or in the plans and specifications therefor as previously approved by the Company, or in the cost

thereof, or any other change which would affect the design, cost, value or quality of the Project, except for such matters as may be expressly delegated in writing to the Developer by the Company;

(c) Making any expenditure or incurring any obligation by or on behalf of the Company or the Project involving a sum in excess of \$25,000 or involving a sum of less than \$25,000 where the same relates to a component part of any work, the combined cost of which exceeds \$25,000, except for expenditures made and obligations incurred pursuant to and specifically set forth in a construction budget approved by the Company (the "Construction Budget") or for such matters as may be otherwise expressly delegated to the Developer by the Company;

(d) Making any expenditure or incurring any obligation which, when added to any other expenditure, exceeds the Construction Budget or any line item specified in the Construction Budget, except for such matters as may be otherwise expressly delegated in writing to the Developer by the Company; or

(e) Expending more than what the Developer in good faith believes to be the fair and reasonable market value at the time and place of contracting for any goods purchased or leased or services engaged on behalf of the Company or otherwise in connection with the Project.

### Section 3. Accounts and Records.

(a) The Developer on behalf of the Company, shall keep such books of account and other records as may be required and approved by the Company, including, but not limited to, records relating to the costs of construction advances. The Developer shall keep vouchers, statements, receipted bills and invoices and all other records, in the form approved by the Company, covering all collections, if any, disbursements and other data in connection with the Project prior to final completion of construction. All accounts and records relating to the Project, including all correspondence, shall be surrendered to the Company, upon demand without charge therefor.

(b) The Developer shall cooperate with the Management Agent to facilitate the timely preparation by the Management Agent of such reports and financial statements as the Management Agent is required to furnish pursuant to the management agreement between the Company and the Management Agent ("Management Agreement").

(c) All books and records prepared or maintained by the Developer shall be kept and maintained at all times at the place or places approved by the Company, and shall be available for and subject to audit, inspection and copying by the Management Agent, the Company or any representative or auditor thereof or supervisory or regulatory authority, at the times and in the manner set forth in the Company Agreement.

### Section 4. Obligation To Complete Construction.

The Developer shall complete the construction of the Project or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanic's, materialmen's or similar liens, and shall equip the Project or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, provided for in the loan and other documents governing the development and operation of the Project and in the plans and specifications for the Project.

Section 5. Development Amount.

As a fee for its services in connection with the development of the Project and the supervision of the construction/rehabilitation of the Project as set forth in Section 1 and elsewhere in this Agreement, the Developer shall be paid an amount (the "Development Amount") equal to one million and No/100 Dollars (\$1,000,000.00). The Development Amount shall be deemed to have been earned as follows:

- (i) Twenty percent (20%) as of the date of this Agreement;
- (ii) Eighty percent (80%) upon substantial completion of the Project;

The Development Amount shall be paid from and only to the extent of the Company's available cash, in installments as follows:

- (i) Zero percent (0 %) on initial equity funding of the Project;
- (ii) Eighty percent (80%) upon substantial completion of the Project; and
- (iii) Twenty percent (20 %) upon achievement of 100 %occupancy for the Project.

Any installment of the Development Amount not paid when otherwise due hereunder shall be deferred without interest and shall be paid from next available cash, provided, however, that any unpaid balance of the Development Amount shall be due and payable in all events at the earlier of (i) the thirteenth anniversary of the date of this Agreement, or (ii) if the Project qualifies for Tax Credits under Code Section 42, then the end of the Project's compliance period.

Section 6. Applicable Law.

This Agreement, and the application or interpretation hereof, shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 7. Binding Agreement.

This Agreement shall be binding on the parties hereto, their heirs, executors, personal representatives, successors and assigns. As long as the Developer is not in default under this Agreement, the obligation of the Company to pay the Development Amount shall not be affected by any change in the identity of the Managing Member of the Company.

Section 8. Headings.

All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

Section 9. Terminology.

All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

Section 10. Benefit of Agreement.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

COMPANY:

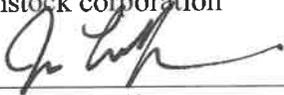
**Madison Road Apartments, LLC**, a  
Virginia limited liability company

By: Madison Road Apartments Management,  
LLC a Virginia limited liability company  
nonstock corporation, its sole  
managing member

By:   
Name: Jim LaGraffe  
Title: Authorized Signatory

DEVELOPER:

**Rappahannock Rapidan Community Services**, a  
Virginia nonstock corporation

By:   
Name: Jim LaGraffe  
Title: Executive Director

# **Tab B:**

Virginia State Corporation Commission Certification  
(MANDATORY)

# Commonwealth of Virginia



## State Corporation Commission

### CERTIFICATE OF FACT

I Certify the Following from the Records of the Commission:

That MADISON ROAD APARTMENTS, LLC is duly organized as a Limited Liability Company under the law of the Commonwealth of Virginia;

That the Limited Liability Company was formed on March 14, 2023; and

That the Limited Liability Company is in existence in the Commonwealth of Virginia as of the date set forth below.

Nothing more is hereby certified.



Signed and Sealed at Richmond on this Date:

March 15, 2023

A handwritten signature in cursive script, reading "Bernard J. Logan".

---

Bernard J. Logan, Clerk of the Commission

# **Tab C:**

Principal's Previous Participation Certification  
(MANDATORY)

## Appendices continued

### Previous Participation Certification Instructions

#### General Instructions

The following certification:

- Must be completed, regardless of any principal's inclusion on the Developer Experience List.
- Must be signed by an individual who is, or is authorized to act on behalf of, the Controlling General Partner (if LP) or Managing Member (if LLC) of the Applicant, as designated in the partnership agreement. Virginia Housing will accept an authorization document, which gives signatory authorization to sign on behalf of the principals.
- Must be dated no more than 30 days prior to submission of the LIHTC Application.

#### Definitions

*Development* - the proposed multifamily rental housing development.

*Participants* - the principals who will participate in the ownership of the development.

*Principal* - any person (including any individual, joint venture, partnership, limited liability company, corporation, nonprofit organization, trust, or any other public or private entity) that (i) with respect to the proposed development, will own or participate in the ownership of the proposed development or (ii) with respect to an existing multifamily rental property, has owned or participated in the ownership of such property, all as more fully described herein below. The person who is the owner of the proposed development or multifamily rental property is considered a principal. In determining whether any other person is a principal, the following guidelines shall govern:

- In the case of a partnership which is a principal (whether as the owner or otherwise), all general partners are also considered principals, regardless of the percentage interest of the general partner;
- In the case of a public or private corporation or organization or governmental entity that is a principal (whether as the owner or otherwise), principals also include the president, vice president, secretary, and treasurer and other officers who are directly responsible to the board of directors or any equivalent governing body, as well as all directors or other members of the governing body and any stockholder having a 25% or more interest;
- In the case of a limited liability company (LLC) that is a principal (whether as the owner or otherwise), all members are also considered principals, regardless of the percentage interest of the member;
- In the case of a trust that is a principal (whether as the owner or otherwise), all persons having a 25% or more beneficial ownership interest in the assets of such trust;
- In the case of any other person that is a principal (whether as the owner or otherwise), all persons having a 25% or more ownership interest in such other person are also considered principals; and
- Any person that directly or indirectly controls, or has the power to control, a principal shall also be considered a principal.

## Appendices continued

### **Please follow guidelines below for listing principals.**

- If the owner is a partnership, list the names of all GPs, regardless of % interest in the General Partnership.
- If the owner is an LLC, list the names of all members regardless of % interest.
- If the owner is a Corporation (public or private), Organization or Governmental Entity, list the names of officers who are directly responsible to the Board of Directors (or equivalent) and any stockholder having a 25% or more interest.
- If the owner is a Trust, list the names of all persons having a 25% or more beneficial ownership interest in the assets of the trust.
- If the owner is an Individual, list the name of anyone having a 25% or more ownership interest of the named individual.

If none of the above applies, list the name of any person that directly or indirectly controls or has the power to control a principal.

If you have any questions, please call the Tax Credit Allocation Department at 804-343-5518.

## Appendices continued

### Previous Participation Certification

Development Name Madison Road Apartments

Name of Applicant (entity) Madison Road Apartments, LLC

#### **I hereby certify that:**

1. All the statements made by me are true, complete and correct to the best of my knowledge and belief and are made in good faith, including the data contained in Schedule A and any statements attached to this certification.
2. During any time that any of the participants were principals in any multifamily rental property, no property has been foreclosed upon, in default or assigned to the mortgage insurer (governmental or private); nor has mortgage relief by the mortgagee been given;
3. During any time that any of the participants were principals in any multifamily rental property, there has not been any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management or disposition of the property, including removal from a partnership;
4. That at no time have any principals listed in this certification been required to turn in a property to the investor or have been removed from a multifamily rental property ownership structure;
5. That to the best of my knowledge, there are no unresolved findings raised as a result of state or federal audits, management reviews or other governmental investigations concerning any multifamily rental property in which any of the participants were principals;
6. During any time that any of the participants were principals in any multifamily rental property, there has not been a suspension or termination of payments under any state or federal assistance contract for the property;
7. None of the participants has been convicted of a felony and is not presently, to my knowledge, the subject of a complaint or indictment charging a felony. A felony is defined as any offense punishable by imprisonment for a term exceeding one year, but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less;
8. None of the participants has been suspended, debarred or otherwise restricted by any federal or state governmental entity from doing business with such governmental entity; and
9. None of the participants has defaulted on an obligation covered by a surety or performance bond and has not been the subject of a claim under an employee fidelity bond.
10. None of the participants is a Virginia Housing employee or a member of the immediate household of any of its employees.
11. None of the participants is participating in the ownership of a multifamily rental housing property as of this date on which construction has stopped for a period in excess of 20 days or, in the case of a multifamily rental housing property assisted by any federal or state

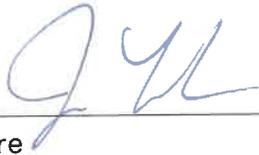
## Appendices continued

governmental entity, which has been substantially completed for more than 90 days but for which requisite documents for closing, such as the final cost certification, have not been filed with such governmental entity.

12. None of the participants has been found by any federal or state governmental entity or court to be in noncompliance with any applicable civil rights, equal employment opportunity or fair housing laws or regulations.
13. None of the participants was a principal in any multifamily rental property which has been found by any federal or state governmental entity or court to have failed to comply with Section 42 of the Internal Revenue Code of 1986, as amended, during the period of time in which the participant was a principal in such property. This does not refer to corrected 8823's.
14. None of the participants is currently named as a defendant in a civil lawsuit arising out of their ownership or other participation in a multi-family housing development where the amount of damages sought by plaintiffs (i.e., the ad damnum clause) exceeds One Million Dollars (\$1,000,000).
15. None of the participants has pursued a Qualified Contract or planned foreclosure in Virginia after January 1, 2019.

Statements above (if any) to which I cannot certify have been deleted by striking through the words. In the case of any such deletion, I have attached a true and accurate statement to explain the relevant facts and circumstances.

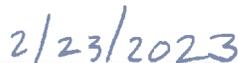
Failure to disclose information about properties which have been found to be out of compliance or any material misrepresentations are grounds for rejection of an application and prohibition against future applications.



Signature

**Jim LaGraffe, Executive Director**

Printed Name



Date (no more than 30 days prior to submission of the Application)

# **Tab D:**

List of LIHTC Developments (Schedule A)  
(MANDATORY)

# Appendices continued

## List of LIHTC Developments (Schedule A)

Development Name Madison Road Apartments  
 Name of Applicant Madison Road Apartments, LLC

**INSTRUCTIONS:**

1. **A Schedule A is required for every individual that makes up the GP or Managing Member -** does not apply to principals of publicly traded corporations.
2. For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
3. List only tax credit development experience for the past 15 years.
4. Use separate pages as needed, for each principal.

Principal's Name Madison Road Apartments Management, LLC

Controlling GP (CGP) or 'Named' Managing Member of Proposed property?\*  YES  NO

	Development Name and Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								

# Appendices continued

## List of LIHTC Developments (Schedule A)

Development Name Madison Road Apartments  
 Name of Applicant Madison Road Apartments, LLC

**INSTRUCTIONS:**

1. **A Schedule A is required for every individual that makes up the GP or Managing Member -** does not apply to principals of publicly traded corporations.
2. For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
3. List only tax credit development experience for the past 15 years.
4. Use separate pages as needed, for each principal.

Principal's Name Rapidan Rappahannock Community Services Inc.

Controlling GP (CGP) or 'Named' Managing Member of Proposed property?\*    No

	Development Name and Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1.	Parkside Apartments, 250 Gardner Street, Culpeper VA	Parkside Apartments, LLC 5406046521	N	37	37	TBD	TBD	N
2.								
3.								
4.								
5.								
6.								
7.								
8.								

# **Tab E:**

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

## OPTION AGREEMENT

THIS OPTION AGREEMENT ("Agreement") is made and entered into this 10<sup>th</sup> day of **March 2023** ("Effective Date"), by and between the Board of Supervisors of **ORANGE COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia ("County") and **MADISON ROAD APARTMENTS, LLC**, a Virginia limited liability company ("Tenant").

### RECITALS

A. The County owns fee simple title to the real property described in Exhibit A, attached hereto and by reference incorporated herein, together with all improvements and fixtures situated thereon. The real property, improvements, and fixtures, together with all appurtenant easements, rights, hereditaments, and tenements are hereinafter collectively referred to as the "Property."

B. The County desires to lease the Property long-term to encourage the development of affordable housing, and the provision of office space to be used by Rappahannock Rapidan Community Services Board and its successor, associated or like entities to provide services for the benefit of the residents of Orange County, Virginia, to include among other services, services for infants and youth with developmental delays, disabilities and challenging behavioral health issues as well as general mental health services as necessary or appropriate.

C. The parties have heretofore negotiated matters relating to the affordable housing project and office space, the required improvements to be built by Tenant without cost or charge to the County and without liability to the County for any matter or claim or debt obligation arising from or in relation to the construction of any improvements upon the Property, except as may be hereafter authorized by lawful action of the County, the improvements to consist of twenty-one (21) residential rental units targeted to individuals with incomes at or below 60% of median family income as further described in the tax credit application to be submitted to VHDA, which is attached hereto as Exhibit B and by reference incorporated herein (collectively the "Project").

NOW, THEREFORE, incorporating the foregoing Recitals and the mutual covenants hereinafter set forth, the parties agree as follows:

### AGREEMENT

#### **Section 1. Grant of Option.**

The County, for and in consideration of the sum of Ten Dollars (\$10) paid to the County by Tenant, the receipt and sufficiency of which is acknowledged by the County, and such other valuable consideration as the County will obtain from the Project and use of the Property, hereby grants to Tenant the sole and exclusive option ("Option") to enter into the Ground Lease of the Property for the term and in the manner and for the price stated in this Agreement.

**Section 2. Option Term.**

The term of the Option ("Term"), unless otherwise extended as provided herein, shall commence on the Effective Date and shall continue until 5:00 p.m. on **March 30, 2024**

**Section 3. Conditions Precedent to Exercise of Option.**

Tenant shall be permitted to exercise the Option only at such time as each of the following conditions has been satisfied by the obligated party or waived by the benefited party. Failure to satisfy or waive the conditions by the last day of the Term, absent any extension agreed to by the Parties in writing, shall result in the termination of this Agreement.

- 3.1 Conditions for the Benefit of the County and Tenant.** The following conditions must be waived or extended in writing by both the County and Tenant if not satisfied prior to the last day of the Term.

**3.1.1 Land Use Approval(s).** Tenant shall have submitted land use applications for Design Review, Design Review Build-Out Concept Plan, and other applicable land use applications identified by the Planning Division and received approval for its Project.

**3.1.2 Financing.** Tenant shall be satisfied and shall have provided evidence to the County that Tenant has financial capacity sufficient to permit it to complete development of its Project based on a current project budget with construction and phase sources and uses together with a post-construction operating proforma; and copies of binding commitment letters from funding sources for construction and permanent financing to be provided (including an allocation of low income housing tax credits pursuant to Section 42 of the Code {"Tax Credit Reservation"}) All financing necessary to construct the Project (excepting any permanent financing intended to be funded only after completion of construction has closed or will close simultaneously with the exercise of the Option.

**3.1.3 No Litigation.** No litigation is pending that prevents the County or Tenant from performing its respective obligations under this Agreement.

- 3.2 Tenant's Conditions.** To Tenant's reasonable satisfaction, which conditions may be waived or extended in writing solely by Tenant if not satisfied:

**3.2.1 Title.** Tenant is satisfied that Landlord has title to the Property subject only to the Final Permitted Exceptions.

**3.2.2 Property Due Diligence.** Tenant shall have conducted due diligence regarding the Property and accepts the Property in its current condition as-is WITHOUT WARRANTIES EXPRESS OR IMPLIED BY THE COUNTY.

**3.2.3 No Default.** The County is not in default under this Agreement and no event has occurred that, with notice or passage of time or both notice and the

passage of time, would constitute a default by the County under this Agreement.

**3.2.4 No Material Change.** No material or adverse change in the physical or legal condition of the Property has occurred.

#### **Section 4. Exercise of Option, Limited Right of Assignment.**

- 4.1 Tender of Exercise Notice.** Upon satisfaction or waiver of the conditions described in Section 3 above, the Option shall be exercised, if at all, by written notice ("Exercise Notice") given by Tenant to the County at any time during the Term, which Term may be extended by the Parties in writing. The notice shall state that Tenant has satisfied all conditions - unless waived by the County and has elected to exercise the Option. Exercise Notice shall be delivered to the County c/o to its County Administrator.
- 4.2** Upon receipt of an Exercise Notice from Tenant, if the County finds in its reasonable discretion that all conditions precedent have not been met or waived it shall provide written documentation of the conditions precedent not satisfied and a forty-five (45) day period (and the Term extended ) for Tenant to satisfy such conditions.
- 4.3** The Option may be exercised only by Tenant.

#### **Section 5. Execution and Terms of Lease.**

Upon exercise of the Option, Tenant shall be obligated to lease the Property from the County and the County shall be obligated to lease the Property to Tenant by execution of a Ground Lease, within sixty (60) days of the delivery of the Exercise Notice. The Ground Lease shall contain and set forth the terms in Exhibit C. The Parties shall execute the Ground Lease within ninety (90) days after Tenant tenders its Exercise Notice and the County agrees all conditions precedent have been met or waived.

#### **Section 6. Failure to Exercise Option.**

If Tenant fails for any reason to exercise the Option in the manner set forth herein, Tenant shall have no further claim against or interest in the Property. In the event of the failure to exercise the Option, Tenant shall provide the County with any instruments that the County may reasonably deem necessary for the purpose of removing from the public record any cloud on title to the Property that is attributable to the grant or existence of the Option.

#### **Section 7. Representations and Warranties.**

- 7.1 Landlord Representations and Warranties.** The Counties' representations under this Agreement are limited to the following specific representations:

**7.1.1** To the County's actual knowledge, there is no litigation, action, suit, or any condemnation, environmental, zoning, or other government proceeding pending or threatened, which may affect the Property or the Landlord's ability to perform its obligations under this Agreement;

**7.1.2** The Landlord is the legal and beneficial fee simple titleholder to the Property and the Property is free and clear of all liens.

**7.1.3** The Ground Lease is to be executed only after the exercise of the Option.

**7.2 Tenant's Representations and Warranties.** Tenant's representations and warranties under this Agreement are limited to the following specific representations and warranties:

**7.2.1** Tenant has full power and authority to enter into and perform this Agreement in accordance with its terms and does not require the consent of any third party that has not been secured, and all requisite action (corporate, trust, partnership, membership, or otherwise) has been taken by Tenant in connection with entering into this Agreement, the instruments referred to herein, and the consummation of the transactions contemplated herein. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, or other party is required.

**7.2.2** This Agreement and all documents required to be executed by Tenant are and shall be valid, legally binding obligations of and enforceable against Tenant in accordance with their terms.

**7.2.3** Neither the execution and delivery of this Agreement and documents referred to herein, nor the incurring of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents referred to herein conflict with or result in the material breach of any terms, conditions, or provisions of, or constitute a default under any bond, note or other evidence of indebtedness, or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which Tenant is a party.

**7.2.4** No representation, warranty, or statement of Tenant in this Agreement or any of the exhibits attached hereto contains any untrue statement of a material fact or omits a material fact necessary to make the representation, warranty, or statement not misleading.

**7.2.5** The person executing this Agreement and the instruments referred to herein on behalf of Tenant have the legal power, right and actual authority to bind Tenant to the terms and conditions of this Agreement.

**8. Other Provisions.**

**8.1** Waivers. No waiver by the Tenant or County of any provision of this Agreement or any breach thereof shall be of any force or effect unless in writing and no such waiver shall be construed to be a continuing waiver.

**8.2** Governing Law, Venue, Consent to Jurisdiction. This Agreement shall be governed by Virginia law, without regard to principles of conflicts of law. The sole and exclusive venue for any controversy, claim, or complaint made or filed in relation to this Agreement shall be an appropriate Court of the County of Orange Virginia.

This Option Agreement is executed as of the day and year appearing above.

WITNESS the following signatures:

COUNTY:

Date: 3/14/2023,

By:   
County Administrator

TENANT:

MADISON ROAD APARTMENTS, LLC.

By: Madison Road Apartments, LLC., Managing Member

Date: 3/15/2023,

By:   
Jim LaGrafte, Executive Director

**Exhibit A**  
**Legal Description**

ALL THAT certain tract of land lying and being situated in the Spotswood Magisterial District, Town of Orange, Orange County, Virginia, containing 0.7400 acres, currently known as Tax Map 44A3-10-8, more or less, as described as follows:

Beginning at a corner in the westerly right of way of U.S. Route 15, thence running along a curve for 111.05' with a chord bearing of S13°57'08"E and radius of 1938.36' to an iron rod found in the westerly right of way of U.S. Rt. 15, thence S73°12'58"W 14.99' to an iron rod found in the westerly right of way of Rt. 15, thence running along a curve 17.48' with a chord bearing of S15°51'00"E and a radius of 1953.36' to a point on the westerly right of way of Rt. 15, thence S69°43'33"W 196.10' to a point on the property line common to The County of Orange (also Dogwood Lane), thence N12°14'55"W 187.43' to a nail in Dogwood Lane, thence N86°13'13"E 206.98' to the point and place of beginning, containing 0.74 acres of land.

TOGETHER WITH AND SUBJECT TO the rights of others in and to a non-exclusive right of way of unspecified width but following existing paved Dogwood Lane over this tract of land.

AND BEING the same property conveyed to the County of Orange by deed recorded in deed book 147 page 45 of the land records of Orange County, Virginia.

**EXHIBIT B**  
**Tax Credit Application**

**EXHIBIT C**  
**GROUND LEASE PROVISIONS**

1. The Term of the Lease shall be for 99 years;
2. The Parties agree that the approximate current fair market value of the Property, unimproved, and unencumbered, is **six hundred forty-five thousand, four hundred and fifty-seven dollars (\$645,457)**, but that the FMV Price in the final ground lease will be based on an as-is appraisal of the Property ("FMV Price");
3. The Ground Lease shall be a triple net lease. On top of any payments necessary to pay for costs and expenses covered by the triple net lease provisions, the Ground Lease Rent for each of the first fifteen years of the Tax Credit compliance period shall be \$100 per year;
4. Starting at the end of the Tax Credit Compliance period, the Ground Lease Rent shall be recomputed to be a current fair market rental for the leased premises;
5. Other than pursuant to the VHDA required right of first refusal to RRCSB, the Tenant shall have no right to transfer its interests in the Ground Lease to any third party or to refinance or otherwise sell the Property or substantially all of its interests in Tenant.
6. The Ground Lease will contain restrictions on the Property consistent with the terms of the Tax Credit Application.
7. The County will retain the right to reasonably approve any financing, it being understood and agreed the County shall have no liability of any kind in relation to any debt or finance obligation.

**EXHIBITD  
TITLE REPORT**

38401751\_2

PROPERTY

**Parcel Information**

Parcel Record Number (PRN) **9735** Town/District **TOWN OF ORANGE**

Account Name **COUNTY OF ORANGE**

Account Name2

Care Of

Address1 **P O BOX 111**

Address2

City, State Zip **ORANGE, VA 22960**

Business Name

**450 N MADISON RD**

Location Address(es) **454 N MADISON RD**

**458 N MADISON RD**

**Map Number**

Map Insert	Double Circle	Block	Parcel Number
<b>044A3</b>	<b>00</b>	<b>10</b>	<b>00080</b>

Total Acres **0.0**

Deed **NONE**

Additional Deed

Will **NONE**

Plat **NONE**

Additional Plat

Route

Legal Desc 1 **BK 10-8**

Legal Desc 2

Zoning **LC; COMMERCIAL LIMITED**

State Class **LOCAL GOVT**

Topology **ROLLING /SLOPING**

Utilities **NONE**

**Assessed Values**

Type	Current Value	Previous Value
Land	<b>\$500,000</b>	<b>\$500,000</b>
Main Structures	<b>\$899,200</b>	<b>\$899,200</b>
Other Structures	<b>\$35,000</b>	<b>\$35,000</b>
<b>TOTALS</b>	<b>\$1,434,200</b>	<b>\$1,434,200</b>

**Sales History**

Grantor	Sale Price	Instrument	Supporting Document Number	Number of Tracts	Sale Date
---------	------------	------------	----------------------------	------------------	-----------

No data to display

**Land Segments**

COMMERCIAL	100	\$800,000	\$800,000	NONE	NONE
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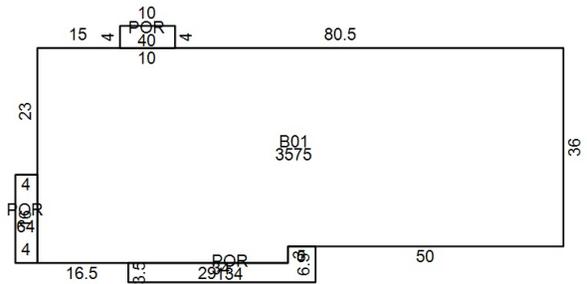
**Main Structures**

Main Structure 1	Rooms	0	Deprec Schedule	MANUAL DEPREC
	Bedrooms	0	Heated Sq Ft	7,149
	Cost/Heated SqFt	\$68.20	Constr Style	COMMERCIAL

Main Structure Photo



Main Structure Sketch



Main Structure Attributes

Type	Code	# Of
A/C	A/C	7,149
BASEMENTS	NONE	
CARPORTS	NO CARPORT	1
ELECTRIC	PUBLIC ELECTRIC	7,149
EXTFIN	BRICK	7,149
FLOOR	CARPET	7,149
FLOOR	TILE	7,149
FOUNDATION	BRICK	
FUEL	ELECTRIC	7,149
GARAGES	NONE	1
GAS	NO PUBLIC GAS	7,149
HEAT	HT. PUMP	7,149
ROOF MATERIAL	COMP SHG	7,149
ROOF TYPE	GABLE	7,149
WALL	DRYWALL	7,149

Main Structure Sections

Sec	% Cmpl	Class	Description	Area	Story Hgt	Yr Built	Eff Yr	Value
-----	--------	-------	-------------	------	-----------	----------	--------	-------

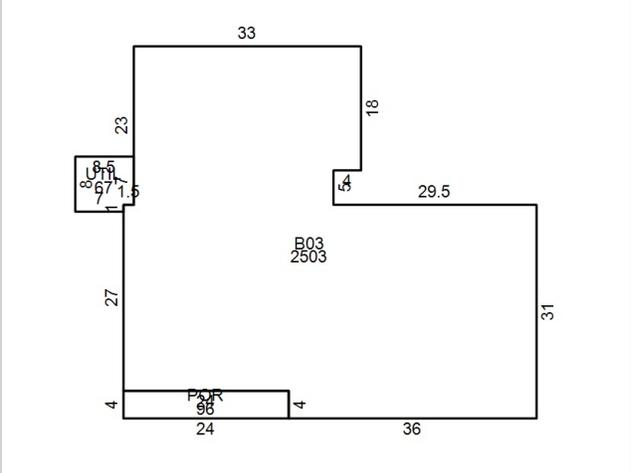
3-0	100	POR	PORCH	40	1.00	1977	1977	\$560
4-0	100	POR	PORCH	134	1.00	1977	1977	\$1,876

Main Structure 2	Rooms	0	Deprec Schedule	MANUAL DEPREC
	Bedrooms	0	Heated Sq Ft	5,006
	Cost/Heated SqFt	\$49.77	Constr Style	COMMERCIAL

Main Structure Photo



Main Structure Sketch



Main Structure Attributes

Type	Code	# Of
A/C	A/C	5,006
BASEMENTS	NONE	
CARPORTS	NO CARPORT	1
ELECTRIC	PUBLIC ELECTRIC	5,006
EXTFIN	VINYL	5,006
EXTFN2	CNDRBLK	5,006
FLOOR	TILE	5,006
FOUNDATION	CINDERBLOCK	
FUEL	PPANE	5,006
GARAGES	NONE	1
GAS	NO PUBLIC GAS	5,006
HEAT	F. AIR	5,006
ROOF MATERIAL	COMP SHG	5,006
ROOF TYPE	GABLE	5,006
WALL	DRYWALL	5,006

Main Structure Sections

Sec	% Cmpl	Class	Description	Area	Story Hgt	Yr Built	Eff Yr	Value
-----	--------	-------	-------------	------	-----------	----------	--------	-------

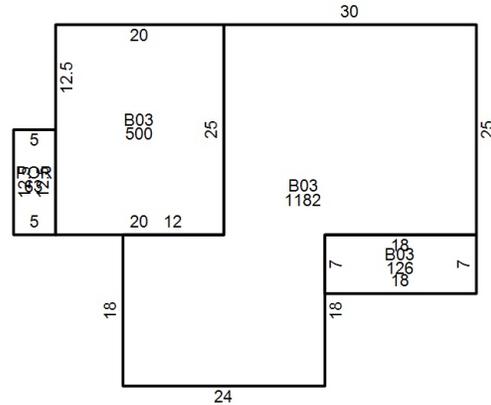
3-0	100	UTIL	UTILITY ROOM	67	1.00	1947	1947	\$798
-----	-----	------	--------------	----	------	------	------	-------

Main Structure 3	Rooms	0	Deprec Schedule	MANUAL DEPREC
	Bedrooms	0	Heated Sq Ft	2,308
	Cost/Heated SqFt	\$58.30	Constr Style	COMMERCIAL

Main Structure Photo



Main Structure Sketch



Main Structure Attributes

Type	Code	# Of
A/C	A/C	2,308
BASEMENTS	NONE	
CARPORTS	NO CARPORT	1
ELECTRIC	PUBLIC ELECTRIC	2,308
EXTFIN	BRICK	2,308
EXTFN2	FRAME	2,308
FLOOR	CARPET	2,308
FLOOR	VINYL	2,308
FOUNDATION	CINDERBLOCK	
FUEL	ELECTRIC	2,308
GARAGES	NONE	1
GAS	NO PUBLIC GAS	2,308
HEAT	HT. PUMP	2,308
ROOF MATERIAL	COMP SHG	2,308
ROOF TYPE	GABLE	2,308
WALL	DRYWALL	2,308

Main Structure Sections

2-0	100	B03	OFF BLDG-FRAME	500	2.00	1975	1975	\$59,500
3-0	100	B03	OFF BLDG-FRAME	126	1.00	1975	1975	\$7,497
4-0	100	POR	PORCH	63	1.00	1975	1975	\$875

**Other Structures**

Sec	Description	Class	Grade	Area	BaseRate	Deprec	Story Height	YearBlt	Value
1	MISC STRUCTURE	I999	SOUND VALUE	1	\$0.00	MANUAL	1.00	0	\$30,000
2	PAVEMENT	I570	SOUND VALUE	1	\$0.00	MANUAL	1.00	0	\$5,000

Data last updated: 01/29/2023

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 Concise Systems, LLC \* www.concisesystems.com \* (540)776-1800 \* sales@concisesystems.com

# **Tab F:**

RESNET Rater Certification (MANDATORY)

## RESNET Rater Certification of Development Plans

Deal Name \_\_\_\_\_

Deal Address \_\_\_\_\_

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

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

### In addition provide HERS rating documentation as specified in the manual

\_\_\_\_\_ **New Construction** – EnergyStar Certification

The development's design meets the criteria for the EnergyStar certification. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide EnergyStar Certification to Virginia Housing.

\_\_\_\_\_ **Rehabilitation** – 30% performance increase over existing, based on HERS Index;

**Or Must evidence a HERS Index of 80 or better**

Rater understands that before issuance of IRS Form 8609, rater must provide Certification to Virginia Housing of energy performance.

\_\_\_\_\_ **Adaptive Reuse** – Must evidence a HERS Index of 95 or better.

Rater understands that before issuance of IRS Form 8609, rater must provide Certification to Virginia Housing of energy performance.

### Additional Optional Certifications

I certify that the development's plans and specifications incorporate all items for the certification as indicated below, and I am a certified verifier of said certification. In the event the plans and specifications do not include requirements to obtain the certification, then those requirements still must be met, even though the application is accepted for credits. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide Certification to Virginia Housing.

\_\_\_\_\_ **Earthcraft Certification** – The development's design meets the criteria to obtain Viridian's EarthCraft Multifamily program Gold certification or higher.

\_\_\_\_\_ **LEED Certification** – The development's design meets the criteria for the U.S. Green Building Council LEED green building certification.



**Final RESNET Rate: Certification of Development**

I certify that the development incorporates all items for the required baseline energy performance as indicated in Virginia’s Qualified Allocation Plan (QAP).

I certify that the energy data entered into any system was not entered in by another party.

I certify the development has obtained the measurement as indicated below.

**In addition provide HERS rating documentation as specified in the manual**

\_\_\_\_\_ **New Construction** – EnergyStar Certification  
The development's design meets the criteria for the EnergyStar certification.

\_\_\_\_\_ **Rehabilitation** – 30% performance increase over existing, based on HERS Index;  
**Or** Must evidence a HERS Index of 80 or better.

Beginning HERS rating \_\_\_\_\_

Final HERS rating \_\_\_\_\_

\_\_\_\_\_ **Adaptive Reuse** – Must evidence a HERS Index of 95 or better.

**Additional Optional Certifications**

I certify the development has met all the requirements of the certification chosen below and all data was not entered or submitted by another party.

\_\_\_\_\_ **Earthcraft Certification:** The development’s has obtained the EarthCraft Certification of \_\_\_\_\_ (level).

\_\_\_\_\_ **LEED Certification:** The development has obtained the Green Building Council LEED certification. \_\_\_\_\_ (level)

\_\_\_\_\_ **National Green Building Standard (NGBS):** The development has been certified to the NGBS standards and received certification.

\_\_\_\_\_ **Enterprise Green Communities:** The development has been certified as an Enterprise Green Community. \_\_\_\_\_ (level)

Date: \_\_\_\_\_ Printed Name \_\_\_\_\_

Printed Name \_\_\_\_\_  
RESNET Rater

Signature \_\_\_\_\_

My notary seal is affixed below: Signature \_\_\_\_\_

Notary Public \_\_\_\_\_ The foregoing instrument was acknowledged  
My commission expires \_\_\_\_\_ before me this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_  
My notary registration number is \_\_\_\_\_ by \_\_\_\_\_.

# 2023 Pre-Review Comments

## *Madison Road*



### **Project Address**

454 North Madison Road, Orange, VA 22906

### **Funding Type**

9% LIHTC

### **The following represents the "Baseline Scenario"**

### **Modeling Summary**

#### **Enclosure:**

- R-10 slab edge insulation, 2' depth
- R-21 Grade I cavity insulation, 2x6 16 O.C.  
in exterior above grade walls and rim & band exterior insulation
- R-15 Grade II cavity insulation in party walls and adiabatic ceilings/floors
- R-49 Continuous roof deck insulation
- 0.21 U-Value for opaque doors
- 0.29 U-Value/0.27 SHGC windows

#### **Mechanicals:**

- SEER2 18.2, HSPF2 10.4, 18k air source heat pump, programmable thermostat
- 0.93 UEF storage electric water heaters, 40 gallon
- 5 ACH50 for infiltration threshold/blower door test
- 4% duct leakage to the outside, 6% total duct leakage
- Ducts within conditioned space and insulated to R-6
- Air Cycler mechanical ventilation with inline fan (80 watts assumed , 24 hours a day)

#### **Lights & Appliances:**

- ENERGY STAR rated kitchen appliances
  - 616 kWh/yr refrigerator
  - 270 kWh/yr dishwasher
- Advanced lighting 100% CFL or LED
- ENERGY STAR washers provided



**Project Name:** Madison Road  
**Construction Type:** New Construction  
**Energy Efficiency Path:** ENERGY STAR

Unit Type	Quantity	HERS	ENERGY STAR	
			Target	ZERH Target
1 BR Lower	12	59	68	60
1 BR Upper	6	59	65	61
2 BR Lower	2	57	69	60
2 BR Upper	1	56	68	61
<b>Projected Project HERS - Weighted Avg.</b>		<b>59</b>		

# Home Energy Rating Certificate

Projected Report  
Based on Plans

Rating Date: 2023-02-28

Registry ID:

Ekotrope ID: LXEEkn9d

## HERS® Index Score:

# 59

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

## Annual Savings

# \$609

\*Relative to an average U.S. home

## Home:

454 North Madison Road  
Orange, VA 22906

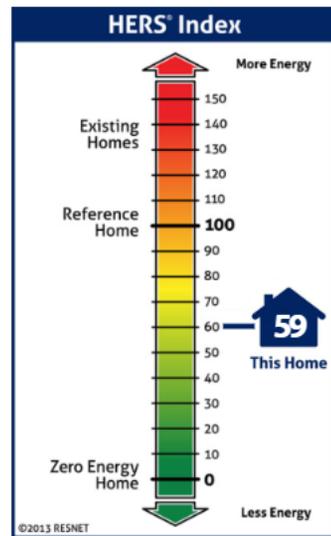
## Builder:

## Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	2.1	\$73
Cooling	0.8	\$28
Hot Water	4.0	\$136
Lights/Appliances	11.5	\$390
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>18.6</b>	<b>\$706</b>

## This home meets or exceeds the criteria of the following:

ENERGY STAR MF v1.1  
ENERGY STAR MF v1.0



## Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	728 ft <sup>2</sup>
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 10.4 HSPF2
Primary Cooling System:	Air Source Heat Pump • Electric • 18.2 SEER2
Primary Water Heating:	Residential Water Heater • Electric • 0.93 UEF
House Tightness:	5 ACH50
Ventilation:	50 CFM • 80 Watts
Duct Leakage to Outside:	4 CFM25 / 100 ft <sup>2</sup>
Above Grade Walls:	R-20
Ceiling:	Adiabatic, R-24
Window Type:	U-Value: 0.29, SHGC: 0.27
Foundation Walls:	N/A
Framed Floor:	R-21

## Rating Completed by:

**Energy Rater:** Stacey Smith  
RESNET ID: 2279319

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

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

Stacey Smith, Certified Energy Rater  
Digitally signed: 3/14/23 at 12:44 PM



# Home Energy Rating Certificate

Projected Report  
Based on Plans

Rating Date: 2023-02-28

Registry ID:

Ekotrope ID: 28aaBWzL

## HERS® Index Score:

# 59

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

## Annual Savings

# \$629

\*Relative to an average U.S. home

## Home:

454 North Madison Road  
Orange, VA 22906

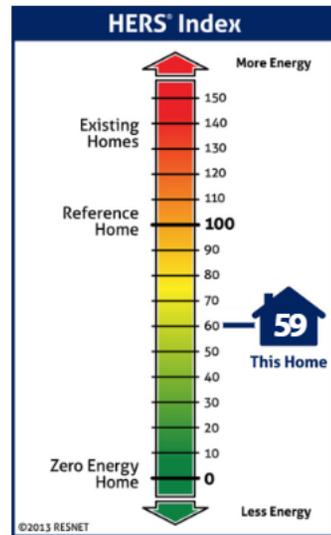
## Builder:

## Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	2.4	\$82
Cooling	1.0	\$32
Hot Water	4.0	\$136
Lights/Appliances	11.5	\$390
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>19.0</b>	<b>\$719</b>

## This home meets or exceeds the criteria of the following:

ENERGY STAR MF v1.1  
ENERGY STAR MF v1.0



## Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	728 ft <sup>2</sup>
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 10.4 HSPF2
Primary Cooling System:	Air Source Heat Pump • Electric • 18.2 SEER2
Primary Water Heating:	Residential Water Heater • Electric • 0.93 UEF
House Tightness:	5 ACH50
Ventilation:	50 CFM • 80 Watts
Duct Leakage to Outside:	4 CFM25 / 100 ft <sup>2</sup>
Above Grade Walls:	R-20
Ceiling:	Vaulted Roof, R-49
Window Type:	U-Value: 0.29, SHGC: 0.27
Foundation Walls:	N/A
Framed Floor:	R-21

## Rating Completed by:

**Energy Rater:** Stacey Smith  
RESNET ID: 2279319

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

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

  
Stacey Smith, Certified Energy Rater  
Digitally signed: 3/14/23 at 12:44 PM



# Home Energy Rating Certificate

Projected Report  
Based on Plans

Rating Date: 2023-02-28

Registry ID:

Ekotrope ID: 26rrQVW2

## HERS® Index Score:

# 57

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

## Annual Savings

# \$753

\*Relative to an average U.S. home

## Home:

454 North Madison Road  
Orange, VA 22906

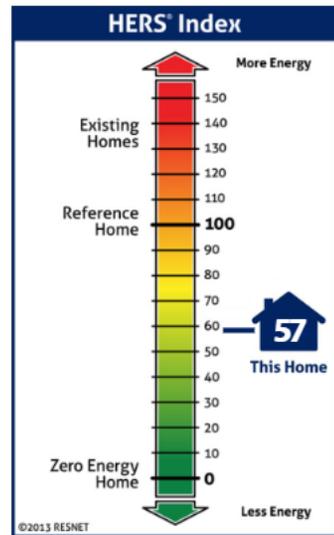
## Builder:

## Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	1.6	\$55
Cooling	1.0	\$33
Hot Water	5.8	\$195
Lights/Appliances	13.6	\$459
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>22.0</b>	<b>\$821</b>

## This home meets or exceeds the criteria of the following:

ENERGY STAR MF v1.1  
ENERGY STAR MF v1.0



## Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	1,033 ft <sup>2</sup>
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 10.4 HSPF2
Primary Cooling System:	Air Source Heat Pump • Electric • 18.2 SEER2
Primary Water Heating:	Residential Water Heater • Electric • 0.93 UEF
House Tightness:	5 ACH50
Ventilation:	50 CFM • 80 Watts
Duct Leakage to Outside:	4 CFM25 / 100 ft <sup>2</sup>
Above Grade Walls:	R-20
Ceiling:	Adiabatic, R-24
Window Type:	U-Value: 0.29, SHGC: 0.27
Foundation Walls:	N/A
Framed Floor:	R-21

## Rating Completed by:

**Energy Rater:** Stacey Smith  
RESNET ID: 2279319

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

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

  
Stacey Smith, Certified Energy Rater  
Digitally signed: 3/14/23 at 12:44 PM



# Home Energy Rating Certificate

Projected Report  
Based on Plans

Rating Date: 2023-02-28

Registry ID:

Ekotrope ID: dNBBGaGd

## HERS® Index Score:

# 56

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

## Annual Savings

# \$788

\*Relative to an average U.S. home

**Home:**  
454 North Madison Road  
Orange, VA 22906

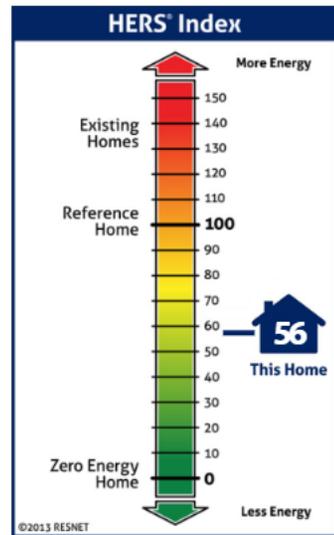
**Builder:**

## Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	2.1	\$71
Cooling	1.2	\$39
Hot Water	5.8	\$195
Lights/Appliances	13.6	\$459
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>22.6</b>	<b>\$843</b>

## This home meets or exceeds the criteria of the following:

ENERGY STAR MF v1.1  
ENERGY STAR MF v1.0



## Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	1,033 ft <sup>2</sup>
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 10.4 HSPF2
Primary Cooling System:	Air Source Heat Pump • Electric • 18.2 SEER2
Primary Water Heating:	Residential Water Heater • Electric • 0.93 UEF
House Tightness:	5 ACH50
Ventilation:	50 CFM • 80 Watts
Duct Leakage to Outside:	4 CFM25 / 100 ft <sup>2</sup>
Above Grade Walls:	R-20
Ceiling:	Vaulted Roof, R-49
Window Type:	U-Value: 0.29, SHGC: 0.27
Foundation Walls:	N/A
Framed Floor:	R-21

## Rating Completed by:

**Energy Rater:** Stacey Smith  
RESNET ID: 2279319

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

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

  
Stacey Smith, Certified Energy Rater  
Digitally signed: 3/14/23 at 12:44 PM



# RESNET HOME ENERGY RATING Standard Disclosure

For home(s) located at: 454 North Madison Road, Orange, VA

Check the applicable disclosure(s):

1. The Rater or the Rater's employer is receiving a fee for providing the rating on this home.  
 2. In addition to the rating, the Rater or the Rater's employer has also provided the following consulting services for this home:

- A. Mechanical system design
- B. Moisture control or indoor air quality consulting
- C. Performance testing and/or commissioning other than required for the rating itself
- D. Training for sales or construction personnel
- E. Other(specify)

3. The Rater or the Rater's employer is:

- A. The seller of this home or their agent
- B. The mortgagor for some portion of the financed payments on this home
- C. An employee, contractor, or consultant of the electric and/or natural gas utility serving this home

4. The Rater or Rater's employer is a supplier or installer of products, which may include:

Products	Installed in this home by	OR is in the business of
HVAC systems	<input type="checkbox"/> Rater <input type="checkbox"/> Employer	<input type="checkbox"/> Rater <input type="checkbox"/> Employer
Thermal insulation systems	<input type="checkbox"/> Rater <input type="checkbox"/> Employer	<input type="checkbox"/> Rater <input type="checkbox"/> Employer
Air sealing of envelope or duct systems	<input type="checkbox"/> Rater <input type="checkbox"/> Employer	<input type="checkbox"/> Rater <input type="checkbox"/> Employer
Energy efficient appliances	<input type="checkbox"/> Rater <input type="checkbox"/> Employer	<input type="checkbox"/> Rater <input type="checkbox"/> Employer
Construction (builder, developer, construction contractor, etc)	<input type="checkbox"/> Rater <input type="checkbox"/> Employer	<input type="checkbox"/> Rater <input type="checkbox"/> Employer
Other (specify): <input type="text"/>	<input type="checkbox"/> Rater <input type="checkbox"/> Employer	<input type="checkbox"/> Rater <input type="checkbox"/> Employer

5. This home has been verified under the provisions of Chapter 6, Section 603 "Technical Requirements for Sampling" of the Mortgage Industry National Home Energy Rating Standard as set forth by the Residential Energy Services Network (RESNET). Rater Certification #: 2279319

Name: Stacey Smith

Signature: 

Organization: Viridiant

Digitally signed: 3/14/23 at 12:41 PM

I attest that the above information is true and correct to the best of my knowledge. As a Rater or Rating Provider I abide by the rating quality control provisions of the Mortgage Industry National Home Energy Rating Standard as set forth by the Residential Energy Services Network(RESNET). The national rating quality control provisions of the rating standard are contained in Chapter One 102.1.4.6 of the standard and are posted at

<https://standards.resnet.us>

The Home Energy Rating Standard Disclosure for this home is available from the rating provider.

# **Tab G:**

Zoning Certification Letter (MANDATORY)



Town of Orange  
Department of Community Development  
Zoning Administrator

119 Belleview Avenue, Orange, Virginia 22960 - 1401  
Phone: (540) 672-6917 Fax: (540) 672-4435  
Email – [townplanner@townoforangeva.org](mailto:townplanner@townoforangeva.org)

**Zoning Certification**

**Date** 3-13-2023

**To** Virginia Housing  
601 South Belvidere Street  
Richmond, Virginia 23220  
Attention: JD Bondurant

**RE:** ZONING CERTIFICATION

Name of Development Madison Road Apartments

Name of Owner/Applicant Madison Road Apartments LLC

Name of Seller/Current Owner County of Orange

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the zoning of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming proper zoning for the site of the Development. It is understood that this letter will be used by Virginia Housing solely for the purpose of determining whether the Development qualifies for credits available under Virginia Housing’s Qualified Allocation Plan.

**Development Description:**

Development Address  
454 Madison Road  
Orange Virginia

Legal Description  
Please see attached

**Proposed Improvements**

- New Construction: 21 #Units 1 #Buildings 20745 Approx. Total Floor Area Sq.Ft.
- Adaptive Reuse: \_\_\_\_\_ #Units \_\_\_\_\_ #Buildings \_\_\_\_\_ Approx. Total Floor Area Sq.Ft.
- Rehabilitation: \_\_\_\_\_ #Units \_\_\_\_\_ #Buildings \_\_\_\_\_ Approx. Total Floor Area Sq.Ft.

Current Zoning: Town Activity Center allowing a density of n/a units per acre, and the following other applicable conditions:  
The project is being approved as a mixed-use development allowed by right in this zoning district.  
Mixed use is defined as commercial on the first floor (offices) with residential on the upper floors

Other Descriptive Information

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Local Certification**

Check one of the following as appropriate:

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

Date 3-13-2023

Signature \_\_\_\_\_

Printed Name John G Cooley

Title of Local Official or Civil Engineer Director of Community Development and Planning / Zoning Administrator

Phone 540-672-6917

**Notes to Locality**

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in disqualification of the application.
3. If you have any questions, please call the Tax Credit Allocation Department at 804-343-5518.

## LEGAL DESCRIPTION

ALL THAT certain tract of land lying and being situated in the Spotswood Magisterial District, Town of Orange, Orange County, Virginia, containing 0.7400 acres, more or less, as described as follows:

Beginning at a corner in the westerly right of way of U.S. Route 15, thence running along a curve for 111.05' with a chord bearing of S13°57'08"E and radius of 1938.36' to an iron rod found in the westerly right of way of U.S. Rt. 15, thence S73°12'58"W 14.99' to an iron rod found in the westerly right of way of Rt. 15, thence running along a curve 17.48' with a chord bearing of S15°51'00"E and a radius of 1953.36' to a point on the westerly right of way of Rt. 15, thence S69°43'33"W 196.10' to a point on the property line common to The County of Orange (also Dogwood Lane), thence N12°14'55"W 187.43' to a nail in Dogwood Lane, thence N86°13'13"E 206.98' to the point and place of beginning, containing 0.74 acres of land.

TOGETHER WITH AND SUBJECT TO the rights of others in and to a non-exclusive right of way of unspecified width but following existing paved Dogwood Lane over this tract of land.

AND BEING the same property conveyed to the County of Orange by deed recorded in deed book 147 page 45 of the land records of Orange County, Virginia.

# **Tab H:**

Attorney's Opinion (MANDATORY)

**JOHN C. BENNETT**

Attorney at Law  
The Hill House  
306 N. West Street  
Culpeper, VA 22701  
(540) 825-3838

March 15, 2023

Virginia Housing  
601 South Belvidere Street  
Richmond, Virginia 23220

**RE:** 2023 Tax Credit Reservation Request

Name of Development: Madison Road Apartments

Name of Owner: Madison Road Apartments, LLC

Ladies and Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated March 14, 2023 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

Based upon the foregoing reviews and upon due investigation of such matters as it deems necessary in order to render this opinion, but without expressing any opinion as to either the reasonableness of the estimated or projected figures or the veracity or accuracy of the factual representations set forth in the Application, the undersigned is of the opinion that:

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.

3. The appropriate type(s) of allocation(s) have been requested in the Reservation Request Information section in the Application form.
4. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
5. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application, for a period of not less than four (4) months beyond the application deadline. 03/16/2023
6. The type of the nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of low-income housing.
7. The nonprofit organizations' ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.

Finally, the undersigned is of the opinion that if all information and representations contained in the Application and all current law were to remain unchanged, upon compliance by the Owner with the requirements of Code Section 42(h)(1)(E), the Owner would be eligible under the applicable provisions of the Code and the Regulations to an allocation of Credits in the amount(s) requested in the Application.

This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("Virginia Housing") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by Virginia Housing and may not be relied upon by any other party for any other purpose.

**This opinion was not prepared in accordance with the requirements of Treasury Department Circular No. 230. Accordingly, it may not be relied upon for the purpose of avoiding U.S. Federal tax penalties or to support the promotion or marketing of the transaction or matters addressed herein.**

Very truly yours,



John C. Bennett

JCB:fes

# Tab I:

## Nonprofit Questionnaire (MANDATORY for points or pool)

NOTE: The following documents need not be submitted unless requested by Virginia Housing:

- Nonprofit Articles of Incorporation
- IRS Documentation of Nonprofit Status
- Joint Venture Agreement (if applicable)
- For-profit Consulting Agreement (if applicable)

# Appendices continued

## Nonprofit Questionnaire

Part II, 13VAC10-180-60, of the Qualified Allocation Plan (the "Plan") of the Virginia Housing Development Authority (the "Authority") for the allocation of federal low income housing tax credits ("Credits") available under §42 of the Internal Revenue Code, as amended (the "Code") establishes certain requirements for receiving credits from the nonprofit pool established under the Plan and assigning points for participation of a nonprofit organization in the development of qualified low-income housing.

Answers to the following questions will be used by the Authority in its evaluation of whether or not an applicant meets such requirements. Attach additional sheets as necessary to complete each question.

### 1. General Information

- a. Name of development Madison Rd. Apartments
- b. Name of owner/applicant Madison Rd. Apartments
- c. Name of nonprofit entity Rappahannock Rapidan Community Services (RRCS)
- d. Address of principal place of business of nonprofit entity  
15361 Bradford Rd., P.O. Box 1568, Culpeper VA

Indicate funding sources and amount used to pay for office space  
Medicaid/DBHDS/Private Funding/Virginia Housing

- e. Tax exempt status  501(c)(3)  501(c)(4)  501(a)
- f. Date of legal formation of nonprofit (must be prior to application deadline) 10/30/1972  
Evidenced by the following documentation The formation of Rappahannock Rapidan Community Services occurred October 30, 1972
- g. Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached) The oldest documentation of status as a 501 (c) (3) is dated December 16, 1999
- h. Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation) Our mission is to improve the quality of life of the individuals, families, and communities we serve, by providing high quality aging, behavioral health, intellectual disability, & substance abuse services & housing svcs. RRCS has housing initiatives through its performance w/DBHDS & our area plan with DARS.
- i. Expected life (in years) of nonprofit Infinity

## Appendices continued

j. Explain the anticipated future activities of the nonprofit over the next five years:  
Continue to provide services to the most vulnerable populations which include multiple types of housing.

k. How many full time, paid staff members does the nonprofit and, if applicable, any other nonprofit organization(s) ("related nonprofit(s)") of which the nonprofit is a subsidiary or to which the nonprofit is otherwise related have (i.e. by shared directors, staff, etc.)? 300

How many part time, paid staff members? 48

Describe the duties of all staff members:

Improving the quality of life of the individuals, families, and communities

we serve, by providing high quality aging, behavioral health, intellectual disability, substance abuse services

& housing services through either direct support or administrative duties.

l. Does the nonprofit share staff with any other entity besides a related nonprofit described above?

YES  NO If yes, explain in detail: \_\_\_\_\_

m. How many volunteers does the nonprofit and, if applicable, any related nonprofit have?

164

n. What are the sources and manner of funding of the nonprofit? (You must disclose all financial and/ or the arrangements with any individual(s) or for profit entity, including anyone or any entity related, directly, indirectly, to the Owner of the Development.

Medicaid & Private Insurance Fee Revenue, DBHDS, Private Funding, Virginia Housing

Federal, State & Local General Funds and DARS

o. List all directors of the nonprofit, their occupations, their length of service on the board, and their residential addresses \_\_\_\_\_

See Attachment

## Appendices continued

### 2. Nonprofit Formation

a. Explain in detail the genesis of the formation of the nonprofit: RRCS was formed in 1972 to improve the quality of life of the citizens of Culpeper, Fauquier, Madison, Orange, & Rappahannock counties providing comprehensive behavioral health, developmental disability, substance use disorder, and aging svcs. In order for these to be effective housing has to be a priority. "Housing First" coincides with RRCS mission for quality of life

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

YES  NO If yes, explain in detail: \_\_\_\_\_

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

YES  NO If yes, explain in detail: All board members of RRCS are appointed by Boards of Supervisor through the five counties served.

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

YES  NO If yes, explain in detail: \_\_\_\_\_

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

YES  NO If yes, explain in detail: Virginia Housing is the Public Housing Authority for the Housing Choice Voucher Program, RRCS is the local housing authority.

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

YES  NO

## Appendices continued

g. Explain in detail the past experience of the nonprofit including, if applicable, the past experience of any other related nonprofit of which the nonprofit is a subsidiary or to which the nonprofit is otherwise related (by shared directors, staff, etc.) RRCS has developed, owned and operated services and housing for clients of RRCS for over 50 years.

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h. If you included in your answer to the previous question information concerning any related nonprofit, describe the date of legal formation thereof, the date of IRS 501(c)(3) or 501(c)(4) status, its expected life, its charitable purposes and its relationship to the non-profit.

N/A

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### 3. Nonprofit Involvement

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

YES     NO

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

YES     NO

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

YES     NO

If no to either 3a.i or 3a.ii above, specifically describe the nonprofit's ownership interest

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b. (i) Will the nonprofit be the managing member or managing general partner?

YES     NO    If yes, where in the partnership/operating agreement is this provision specifically referenced?

Will be the managing member of the managing member.

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(ii) Will the nonprofit be the managing member or own more than 50% of the general partnership interest?     YES     NO

## Appendices continued

- c. Will the nonprofit have the option or right of first refusal to purchase the proposed development at the end of the compliance period for a price not to exceed the outstanding debt and exit taxes of the for-profit entity?  YES  NO

If yes, where in the partnership/operating agreement is this provision specifically referenced?  
Right of First Refusal (ROFR) will be a part of the operating agreement as an exhibit.

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- Recordable agreement attached to the Tax Credit Application as TAB V?

If no at the end of the compliance period explain how the disposition of the assets will be structured:

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- d. Is the nonprofit materially participating (regular, continuous, and substantial participation) in the construction or rehabilitation and operation or management of the proposed Development?

YES  NO If yes,

(i) Describe the nature and extent of the nonprofit's proposed involvement in the construction or rehabilitation of the Development:

Nonprofit is the managing member and will have responsibility for all decisions including hiring development team, including property management.

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(ii) Describe the nature and extent of the nonprofit's involvement in the operation or management of the Development throughout the Extended Use Period (the entire time period of occupancy restrictions of the low-income units in the Development):

The Nonprofit has full responsibility for the operation of the project including hiring of property manager, lenders, and investors. Nonprofit will provide guarantees to lenders.

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(iii) Will the nonprofit invest in its overall interaction with the development more than 500 hours annually to this venture?  YES  NO If yes, subdivide the annual hours by activity and staff responsible and explain in detail :

Jim LaGraffe, Executive Director, 100 hours oversight, Sheryl Reinstrom, Assc. Exec Director, 100 hours

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oversight, Kim Marcey, Director of Facilities and Housing 200 Hours, Nancy Perkins, Supervisor of Facilities and Housing 200 Hours

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## Appendices continued

e. Explain how the idea for the proposed development was conceived. For example, was it in response to a need identified by a local neighborhood group? Local government? Board member?

Housing needs study? Third party consultant? Other?

Consolidation of Services & Housing, The need was identified by our Continuum of Care, Foothills Housing

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f. List all general partners/managing members of the Owner of the Development (one must be the nonprofit) and the relative percentages of their interests:

Rappahannock Rapidan Community Services 100%

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g. If this is a joint venture, (i.e. the nonprofit is not the sole general partner/managing member), explain the nature and extent of the joint venture partner's involvement in the construction or rehabilitation and operation or management of the proposed development.

N/A

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h. Is a for profit entity providing development services (excluding architectural, engineering, legal, and accounting services) to the proposed development?  YES  NO If yes,

(i) Explain the nature and extent of the consultant's involvement in the construction or rehabilitation and operation or management of the proposed development.

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(ii) Explain how this relationship was established. For example, did the nonprofit solicit proposals from several for-profits? Did the for-profit contact the nonprofit and offer the services?

N/A

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## Appendices continued

i. Will the nonprofit or the Owner (as identified in the application) pay a joint venture partner or consultant fee for providing development services?  YES  NO If yes, explain the amount and source of the funds for such payments.

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

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k. Will the joint venture partner or for-profit consultant be compensated (receive income) in any other manner, such as builder's profit, architectural and engineering fees, or cash flow?

YES  NO If yes, explain:

N/A

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l. Will any member of the board of directors, officer, or staff member of the nonprofit participate in the development and/or operation of the proposed development in any for-profit capacity?

YES  NO If yes, explain:

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## Appendices continued

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

None

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n. Is the nonprofit involving any local, community based nonprofit organizations in the development, role and operation, or provision of services for the development?  YES  NO If yes, explain in detail, including the compensation for the other nonprofits amount and timing of such payments.

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### 4. Virginia and Community Activity

a. Has the Virginia State Corporation Commission authorized the nonprofit to do business in Virginia?  
 YES  NO

b. Define the nonprofit's geographic target area or population to be served:  
Culpeper, Madison, Orange, Rappahannock, Fauquier Counties. Seniors, Homeless, At Risk of Homelessness, Housing, Mental Illness, Intellectual Disabilities, Developmental Disabilities

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c. Does the nonprofit or, if applicable, related nonprofit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)?  YES  NO

If yes, or no, explain nature, extent and duration of any service:

RRCS has been providing services and housing in our five county area since 1972

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## Appendices continued

d. Does the nonprofit's by laws or board resolutions provide a formal process for low income, program beneficiaries to advise the nonprofit on design, location of sites, development and management of affordable housing?  YES  NO If yes, explain  
Board meetings are made public and open to include public comments.

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e. Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the nonprofit to solicit contributions/donations in the target community?  
 YES  NO

f. Does the nonprofit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?  
 YES  NO If yes, explain:  
Rappahannock, Culpeper, Orange, Madison, and Fauquier counties support the agency.

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g. Has the nonprofit conducted any meetings with neighborhood, civic, or community groups and/or tenant associations to discuss the proposed development and solicit input?  YES  NO  
If yes, describe the meeting dates, meeting locations, number of attendees and general discussion points:  
Town of Orange Planning meetings & Board of Supervisors in Orange County, VA

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h. Are at least 33% of the members of the board of directors representatives of the community being served?  YES  NO If yes,  
(i) Low-income residents of the community?  YES  NO  
(ii) Elected representatives of low-income neighborhood organizations?  YES  NO

i. Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)?  
 YES  NO

## Appendices continued

j. Does the board of directors hold regular meetings which are well attended and accessible to the target community?  YES  NO If yes, explain the meeting schedule:

Held monthly in person & virtual options are made available to persons unable to attend.

These meetings are open to the public and posted on the RRCS website.

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

l. Has the nonprofit been awarded state or local funds for the purpose of supporting overhead and operating expenses?  YES  NO If yes, explain in detail:

We receive operating funds from DBHDS, Medicaid & private insurance fee revenue, state & local general funds, and DARS.

m. Has the nonprofit been formally designated by the local government as the principal community-based nonprofit housing development organization for the selected target area?

YES  NO If yes, explain:

We are the Local Housing Authority for our region.

n. Has the nonprofit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity?  YES  NO

If yes, note each such application including: the development name and location, the date of application, the nonprofit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).

Parkside Apartments, Culpeper, VA 3/13/2022 - 49% managing member with Culpeper Housing and

Shelter Services - Peacock Holland

Funded and in Pre-Development

## Appendices continued

o. Has the nonprofit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member?  YES  NO

If yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).

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p. To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before?  YES  NO If yes, explain:

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q. Has the nonprofit been an owner or applicant for a development that has received a reservation in a previous application round from the Virginia Housing Partnership or the Virginia Housing Funds?  YES  NO If yes, explain:

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r. Has the nonprofit completed a community needs assessment that is no more than three years old and that, at a minimum identifies all of the defined target area's housing needs and resources?  YES  NO If yes, explain the need identified:

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s. Has the nonprofit completed a community plan that (1) outlines a comprehensive strategy for addressing identified community housing needs, (2) offers a detailed work plan and timeline for implementing the strategy, and (3) documents that the needs assessment and comprehensive strategy were developed with the maximum possible input from the target community?

YES  NO If yes, explain the plan:

Recently completed Strategic Plan which included; community surveys, focus groups & targeted interviews.

Several housing strategies were included such as; developing a plan to increase landlords, develop

additional affordable housing, facilitate shared living options, increase transitional housing & also increasing

awareness to our services to make our clients/tenants more successful.

# Appendices continued

## 5. Attachments

Documentation of any of the above need not be submitted unless requested by Virginia Housing.

The undersigned Owner and nonprofit hereby each certify that, to the best of its knowledge, all of the foregoing information is complete and accurate. Furthermore, each certifies that no attempt has been or will be made to circumvent the requirements for nonprofit participation contained in the Plan or Section 42 of the Internal Revenue Code.

Date 2/16/2023

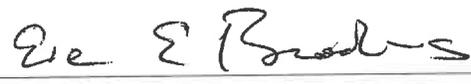
Owner/Applicant Madison Road Apartments, LLC

By Madison Road Apartments, LLC

Its Executive Director of the Managing Member  
Title

Date 2/16/2023

Rappahannock Rapidan Community Services  
Nonprofit

By   
Board Chairman

By   
Executive Director

**Not Applicable**

**Tab J:**

Relocation Plan and Unit Delivery Schedule  
(MANDATORY-Rehab)

# Tab K:

Documentation of Development Location:

# **Tab K.1**

Revitalization Area Certification



**Town of Orange  
Town Manager's Office**

119 Belleview Avenue, Orange, Virginia 22960  
Phone: (540) 672-5005 Fax: (540) 672-4435  
Email: townmanager@townoforangeva.org



**RESOLUTION (RES2022-01)**

WHEREAS, pursuant to Section 36-55.30:2.A of the Code of Virginia of 1950, as amended, the Town Council of the Town of Orange of Orange, Virginia, desire to designate the area (the "Area") described on Exhibit A attached hereto as a revitalization area;

NOW, THEREFORE, BE IT HEREBY DETERMINED as follows:

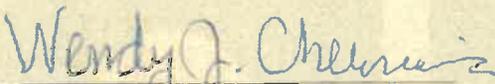
(1) the Area is blighted, deteriorated, deteriorating or, if not rehabilitated, likely to deteriorate by reason that the buildings, improvements, or other facilities in the Area are subject to one or more of the following conditions: dilapidation; obsolescence, overcrowding; inadequate ventilation, light or sanitation; excessive land coverage; deleterious land use; or faulty or inadequate design, quality or condition; and

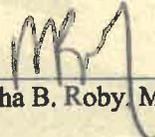
(2) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in the Area and will induce other persons and families to live within the Area and thereby create a desirable economic mix of residents in the Area.

NOW, THEREFORE, BE IT HEREBY RESOLVED that pursuant to Section 36-55.30:2A of the Code of Virginia of 1950, as amended, the Area is hereby designated as a revitalization area.

NOW, THEREFORE, BE IT HEREBY FURTHER DETERMINED that the following nonhousing building or buildings (or nonhousing portion or portions of the building or buildings) located or to be located in the Area are necessary or appropriate for the revitalization of the Area:

Given this under my hand, after necessary approval of the Town Council, this 22<sup>nd</sup> day of February 2022.

  
Wendy J. Cheuning, MMC, Town Clerk

  
Martha B. Roby, Mayor



**Resolution RES2022-01  
Appendix A**

TOWN OF ORANGE  
Department of Community Development

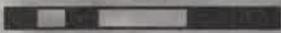
DOGWOOD LN

N MADISON RD



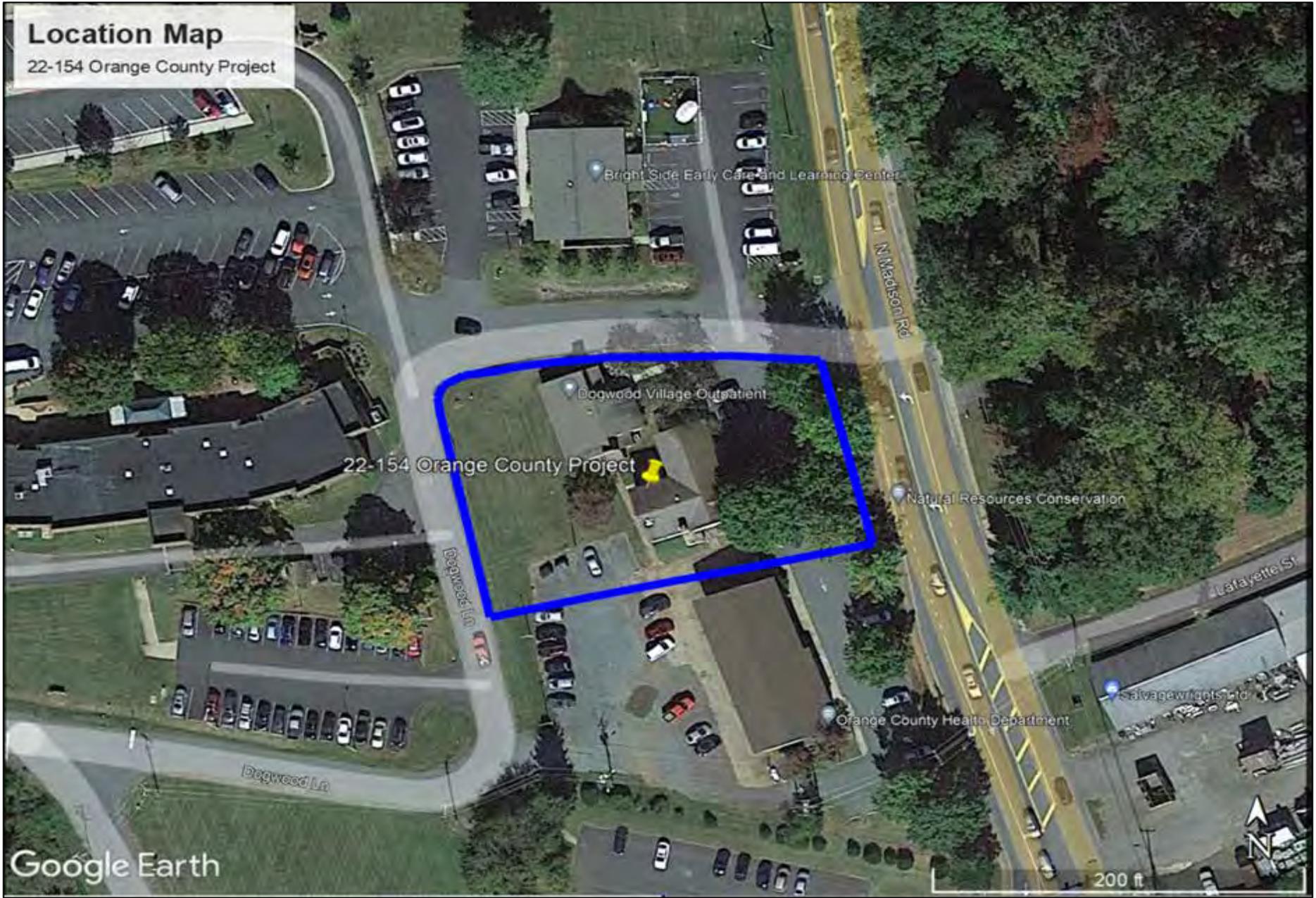
**Legend**

 Revitalization Area

0 10 20 40 60  
 Feet

# Tab K.2

Location Map



# **Tab K.3**

Surveyor's Certification of Proximity To Public  
Transportation

# HINCHEY & BAINES, PLC

Engineering & Land Planning

125 E. Davis Street, Suite 201  
Culpeper, VA 22701  
540-829-2220(TELE) 540-829-2239(FAX)

March 6, 2023

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

**Re: 2023 Tax Credit Reservation Request**

**Name of Development:** Madison Road Apartments

**Name of Owner:** Madison Road Apartments, LLC

Ladies and Gentlemen:

This letter is submitted to you in support of the Owner's Application for Reservation of Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code of 1986, as amended.

Based upon due investigation of the site and any other matters as it deemed necessary this firm certifies that: the main street boundary entrance to the property is within:

- 2,640 feet or ½ mile of the nearest access point to an existing commuter rail, light rail or subway station; **or**
- 1,320 feet or ¼ mile of the nearest access point to an existing public bus stop.

Hinchey & Baines, PLC

Firm Name

By: \_\_\_\_\_

  
Marvin T. Hinchey, P.E.

Its: \_\_\_\_\_

Principal  
Title

# Tab L:

PHA / Section 8 Notification Letter

## Appendices continued

### PHA or Section 8 Notification Letter

If you have any questions, please call the Tax Credit Department at 804-343-5518.

#### **General Instructions**

1. Because of conflicting program requirements regarding waiting list procedures, this letter is not applicable to those developments that have 100% project-based Section 8 or project-based vouchers.
2. This PHA or Section 8 Notification letter (or proof of delivery to the correct PHA/Section 8 Administrator) must be included with the application.
3. 'Development Address' should correspond to the application.
4. 'Proposed Improvements' should correspond with the Application.
5. 'Proposed Rents' should correspond with the Application.
6. 'Other Descriptive Information' should correspond with information in the application.

**NOTE:** Any change to this form letter may result in a reduction of points under the scoring system.

# Appendices continued

## PHA or Section 8 Notification Letter

Date 2/23/23

To Rapidan Rappahannock Community Services  
15361 Bradford Road  
Culpeper, VA 22701

RE: Proposed Affordable Housing Development

Name of Development Madison Road Apartments

Name of Owner Madison Road Apartments LLC

I would like to take this opportunity to notify you of a proposed affordable housing development to be completed in your jurisdiction. We are in the process of applying for federal low-income housing tax credits from Virginia Housing. We expect to make a representation in that application that we will give leasing preference to households on the local PHA or Section 8 waiting list. Units are expected to be completed and available for occupancy beginning on January 15, 2025 (date).

### The following is a brief description of the proposed development:

Development Address 458 N Madison Road, Orange VA 22960

### Proposed Improvements:

- |  |                  |                     |
|--|------------------|---------------------|
| <input type="checkbox"/> New Construction: | <u>21</u> #Units | <u>1</u> #Buildings |
| <input type="checkbox"/> Adaptive Reuse:   | _____ #Units     | _____ #Buildings    |
| <input type="checkbox"/> Rehabilitation:   | _____ #Units     | _____ #Buildings    |

### Proposed Rents:

- |   |              |        |
|---|--------------|--------|
| <input type="checkbox"/> Efficiencies:    | \$ _____     | /month |
| <input type="checkbox"/> 1 Bedroom Units: | \$ 587/\$675 | /month |
| <input type="checkbox"/> 2 Bedroom Units: | \$ 775       | /month |
| <input type="checkbox"/> 3 Bedroom Units: | \$ _____     | /month |
| <input type="checkbox"/> 4 Bedroom Units: | \$ _____     | /month |

### Other Descriptive Information:

New construction of a 4 story frame building with an elevator and 21 permanent supportive housing apartments for people who are unhoused or otherwise vulnerable.

# Appendices continued

## PHA or Section 8 Notification Letter

We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at (540) 825 - 3100.

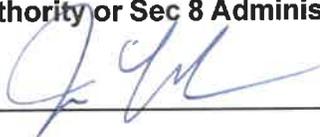
Please acknowledge receipt of this letter by signing below and returning it to me.

Sincerely yours,

Name: Jim LaGraffe

Title: Authorized signatory of the Managing Member

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

Seen and Acknowledged By 

Printed Name: Jim LaGraffe

Title Executive Director

Phone 540 825 3100

Date 2/23/2023

# **Tab M:**

Locality CEO Response Letter

# ORANGE COUNTY, VIRGINIA

## BOARD OF SUPERVISORS

R. MARK JOHNSON, DISTRICT ONE  
JAMES K. WHITE, DISTRICT TWO  
KEITH F. MARSHALL, DISTRICT THREE  
JAMES P. CROZIER, DISTRICT FOUR  
LEE H. FRAME, DISTRICT FIVE



THEODORE L. VOORHEES  
COUNTY ADMINISTRATOR

PHONE: (540) 672-3313  
FAX: (540) 672-1679

MAILING ADDRESS:  
P. O. BOX 111  
ORANGE, VA 22960

PHYSICAL ADDRESS:  
R. LINDSAY GORDON III BUILDING  
112 WEST MAIN STREET  
ORANGE, VIRGINIA 22960

[orangecountyva.gov](http://orangecountyva.gov)

February 21, 2023

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

Virginia Housing Tracking Number:	2024 ASH-05
Development Name:	Madison Road Apartments
Name of Owner/Applicant:	Madison Road Apartments, LLC

Dear Mr. Bondurant:

The construction or rehabilitation of the above-named development and the allocation of federal housing tax credits available under IRC Section 42 for said development will help to meet the housing needs and priorities of Orange County. Accordingly, Orange County supports the allocation of federal housing tax credits requested by Madison Road Apartments, LLC for this development.

Sincerely,

Theodore L. Voorhees  
County Administrator

cc: Orange County Board of Supervisors  
Glenda Bradley, Deputy County Administrator



**Town of Orange  
Town Manager's Office**

119 Belleview Avenue, Orange, Virginia 22960  
Phone: (540) 672-5005 Fax: (540) 672-4435  
Email: [townmanager@townoforangeva.org](mailto:townmanager@townoforangeva.org)

February 23, 2023

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

Virginia Housing Tracking Number: 2024 ASH-05  
Development Name: Madison Road Apartments  
Names of Owner/Applicant: Madison Road Apartments, LLC

Dear Mr. Bondurant:

The construction or rehabilitation of the above-named development and the allocation of federal housing tax credits available under IRC Section 42 for said development will help to meet the housing needs and priorities of the Town of Orange. Accordingly, the Town of Orange supports the allocation of federal housing tax credits requested by Madison Road Apartments, LLC for this development.

Yours truly,

TOWN OF ORANGE

  
Gregory S. Woods  
Town Manager

GSW/wjc

Enclosure

**Not Applicable**

**Tab N:**

Homeownership Plan

# **Tab O:**

Plan of Development Certification Letter



Town of Orange  
Department of Community Development  
Zoning Administrator

119 Belleview Avenue, Orange, Virginia 22960 - 1401  
Phone: (540) 672-6917 Fax: (540) 672-4435  
Email – [townplanner@townoforangeva.org](mailto:townplanner@townoforangeva.org)

**Plan of Development Certification**

**DATE:** 3-13-2023

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

**RE:** PLAN OF DEVELOPMENT CERTIFICATION

Name of Development:	<u>Madison Road Apartments</u>
Name of Owner/Applicant:	<u>Madison Road Apartments LLC</u>
Name of Seller/Current Owner:	<u>County of Orange Virginia</u>

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the site plan of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming the status of plan of development or site plan approval of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely for the purpose of determining whether the Development qualifies for points available under VHDA's Qualified Allocation Plan for housing tax credits.

**DEVELOPMENT DESCRIPTION:**

Development Address:  
454 N Madison Road  
Orange, VA 22960

Legal Description:  
Please see attached.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Plan of Development Number: SP2022-2

Proposed Improvements:

<input checked="" type="checkbox"/> New Construction:	<u>21</u>	# Units	<u>1</u>	# Buildings	<u>20,745</u>	Total Floor Area
<input type="checkbox"/> Adaptive Reuse:	<u>          </u>	# Units	<u>          </u>	# Buildings	<u>          </u>	Total Floor Area
<input type="checkbox"/> Rehabilitation:	<u>          </u>	# Units	<u>          </u>	# Buildings	<u>          </u>	Total Floor Area

Other Descriptive Information:

---



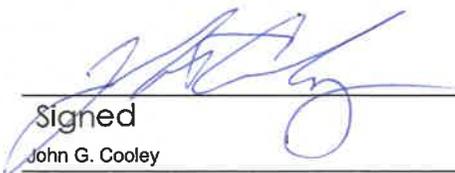
---

**LOCAL CERTIFICATION:**

Check one of the following as appropriate:

- The proposed development described above has an approved final plan of development or site plan (as applicable to the site). No further plan of development or site plan approval is required before issuance of a building permit.
- The proposed development is an existing development with proposed renovations and no additional plan of development approval is needed.

The above plan of development approval is in effect until: 3-13-2028



---

Signed  
John G. Cooley

---

Printed Name  
Director of Community Development and Planning/Zoning Administrator

---

Title  
540-672-6917

---

Phone  
3-13-2023

---

Date

**NOTES TO LOCALITY:**

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in a reduction of points under the scoring system. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.

## LEGAL DESCRIPTION

ALL THAT certain tract of land lying and being situated in the Spotswood Magisterial District, Town of Orange, Orange County, Virginia, containing 0.7400 acres, more or less, as described as follows:

Beginning at a corner in the westerly right of way of U.S. Route 15, thence running along a curve for 111.05' with a chord bearing of S13°57'08"E and radius of 1938.36' to an iron rod found in the westerly right of way of U.S. Rt. 15, thence S73°12'58"W 14.99' to an iron rod found in the westerly right of way of Rt. 15, thence running along a curve 17.48' with a chord bearing of S15°51'00"E and a radius of 1953.36' to a point on the westerly right of way of Rt. 15, thence S69°43'33"W 196.10' to a point on the property line common to The County of Orange (also Dogwood Lane), thence N12°14'55"W 187.43' to a nail in Dogwood Lane, thence N86°13'13"E 206.98' to the point and place of beginning, containing 0.74 acres of land.

TOGETHER WITH AND SUBJECT TO the rights of others in and to a non-exclusive right of way of unspecified width but following existing paved Dogwood Lane over this tract of land.

AND BEING the same property conveyed to the County of Orange by deed recorded in deed book 147 page 45 of the land records of Orange County, Virginia.

# Not Applicable

## **Tab P:**

Developer Experience documentation and  
Partnership agreements (Please submit this TAB as  
a separate stand alone document)

# **Tab Q:**

Documentation of Rental Assistance, Tax Abatement  
and/or existing RD or HUD Property



**Rappahannock Rapidan**  
*Community Services*

**Programs that matter. People who care.**

**Administrative Offices**

P. O. Box 1568  
Culpeper, VA 22701  
Telephone: (540) 825-3100  
FAX: (540) 825-6245

March 13, 2023

Stephanie Flanders  
Program Director LIHTC Program  
Virginia Housing  
601 S. Belvedere Street  
Richmond, VA 23220

Dear Ms. Flanders:

Rappahannock Rapidan Community Services (RRCS), the Local Housing Authority that administers the Housing Choice Voucher (HCVP) program for Virginia Housing in our region, is submitting a Low-Income Housing Tax Credit application for our property Madison Road Apartments, LLC in Orange, VA.

Currently Virginia Housing prohibits project-based vouchers for LIHTC development. However, the Madison Road Apartment development will be a Permanent Supportive Housing location and more likely than not the future residents of Madison Road will be HCVP recipients.

RRCS is committed to the development of housing opportunities for all members of our community and hope you look favorably on our application.

RRCS and the members of our community thank you for your consideration. Please let us know if you have any questions.

---

Jim LaGraffe  
Executive Director  
Rappahannock Rapidan Community Services

# **Tab R:**

Documentation of Operating Budget and Utility Allowances

## Virginia Housing | Housing Choice Voucher Program

**Allowances for  
Tenant-Furnished Utilities  
and Other Services**

<b>Family Name:</b> _____ <b>Unit Address:</b> _____ <b>Voucher Size*:</b> _____ <b>Unit Bedroom Size*:</b> _____ <i>*Use smaller size to calculate tenant-supplied utilities and appliances.</i>
--

		Unit Type: 1 Exposed Wall					Effective Date: 07/01/2023			
Utility	Usage	Monthly Dollar Amount								
		0 BR	1 BR	2BR	3BR	4BR	5 BR	6 BR	7BR	
<b>Appliance</b>	Range/Microwave	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	
	Refrigerator	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	
<b>Bottled Gas</b>	Cooking	\$11.00	\$15.00	\$20.00	\$24.00	\$31.00	\$35.00	\$40.00	\$44.00	
	Home Heating	\$61.00	\$85.00	\$109.00	\$133.00	\$169.00	\$194.00	\$218.00	\$242.00	
	Water Heating	\$27.00	\$37.00	\$48.00	\$58.00	\$74.00	\$85.00	\$95.00	\$106.00	
<b>Electricity</b>	Cooking	\$4.00	\$5.00	\$6.00	\$8.00	\$10.00	\$11.00	\$13.00	\$14.00	
	Cooling (A/C)	\$7.00	\$10.00	\$13.00	\$15.00	\$20.00	\$22.00	\$25.00	\$28.00	
	Home Heating	\$25.00	\$34.00	\$44.00	\$54.00	\$69.00	\$78.00	\$88.00	\$98.00	
	Other Electric	\$14.00	\$20.00	\$25.00	\$31.00	\$39.00	\$45.00	\$50.00	\$56.00	
	Water Heating	\$13.00	\$18.00	\$23.00	\$28.00	\$35.00	\$40.00	\$45.00	\$50.00	
<b>Natural Gas</b>	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00	
	Home Heating	\$9.00	\$13.00	\$16.00	\$20.00	\$25.00	\$29.00	\$32.00	\$36.00	
	Water Heating	\$4.00	\$6.00	\$7.00	\$9.00	\$11.00	\$13.00	\$14.00	\$16.00	
<b>Oil</b>	Home Heating	\$55.00	\$77.00	\$99.00	\$121.00	\$154.00	\$176.00	\$198.00	\$220.00	
	Water Heating	\$24.00	\$33.00	\$42.00	\$52.00	\$66.00	\$75.00	\$85.00	\$94.00	
<b>Sewer</b>	Other	\$21.00	\$29.00	\$38.00	\$46.00	\$59.00	\$67.00	\$76.00	\$84.00	
<b>Trash Collection</b>	Other	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	
<b>Water</b>	Other	\$18.00	\$25.00	\$32.00	\$40.00	\$50.00	\$58.00	\$65.00	\$72.00	
<b>UTILITY ALLOWANCE TOTAL:</b>		\$	\$	\$	\$	\$	\$	\$	\$	

## Virginia Housing | Housing Choice Voucher Program

**Allowances for  
Tenant-Furnished Utilities  
and Other Services**

**Family Name:** \_\_\_\_\_  
**Unit Address:** \_\_\_\_\_  
**Voucher Size\*:** \_\_\_\_\_ **Unit Bedroom Size\*:** \_\_\_\_\_  
*\*Use smaller size to calculate tenant-supplied utilities and appliances.*

		Unit Type: 2 Exposed Walls				Effective Date: 07/01/2023			
Utility	Usage	Monthly Dollar Amount							
		0 BR	1 BR	2BR	3BR	4BR	5 BR	6 BR	7BR
<b>Appliance</b>	Range/Microwave	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
	Refrigerator	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
<b>Bottled Gas</b>	Cooking	\$11.00	\$15.00	\$20.00	\$24.00	\$31.00	\$35.00	\$40.00	\$44.00
	Home Heating	\$64.00	\$89.00	\$114.00	\$140.00	\$177.00	\$204.00	\$229.00	\$254.00
	Water Heating	\$27.00	\$37.00	\$48.00	\$58.00	\$74.00	\$85.00	\$95.00	\$106.00
<b>Electricity</b>	Cooking	\$4.00	\$5.00	\$6.00	\$8.00	\$10.00	\$11.00	\$13.00	\$14.00
	Cooling (A/C)	\$7.00	\$11.00	\$14.00	\$16.00	\$21.00	\$23.00	\$26.00	\$29.00
	Home Heating	\$26.00	\$36.00	\$46.00	\$57.00	\$72.00	\$82.00	\$92.00	\$103.00
	Other Electric	\$14.00	\$20.00	\$25.00	\$31.00	\$39.00	\$45.00	\$50.00	\$56.00
	Water Heating	\$13.00	\$18.00	\$23.00	\$28.00	\$35.00	\$40.00	\$45.00	\$50.00
<b>Natural Gas</b>	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00
	Home Heating	\$9.00	\$14.00	\$17.00	\$21.00	\$26.00	\$30.00	\$34.00	\$38.00
	Water Heating	\$4.00	\$6.00	\$7.00	\$9.00	\$11.00	\$13.00	\$14.00	\$16.00
<b>Oil</b>	Home Heating	\$58.00	\$81.00	\$104.00	\$127.00	\$162.00	\$185.00	\$208.00	\$231.00
	Water Heating	\$24.00	\$33.00	\$42.00	\$52.00	\$66.00	\$75.00	\$85.00	\$94.00
<b>Sewer</b>	Other	\$21.00	\$29.00	\$38.00	\$46.00	\$59.00	\$67.00	\$76.00	\$84.00
<b>Trash Collection</b>	Other	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
<b>Water</b>	Other	\$18.00	\$25.00	\$32.00	\$40.00	\$50.00	\$58.00	\$65.00	\$72.00
<b>UTILITY ALLOWANCE TOTAL:</b>		\$	\$	\$	\$	\$	\$	\$	\$

# **Tab S:**

Supportive Housing Certification

## Appendices continued

### Virginia Housing Permanent Supportive Housing Services Certification

Permanent Supportive Housing is housing consisting of units designated for individuals or families that are homeless, at-risk of homelessness or who have multiple barriers to independent living.

Best practices are described by the U.S. Department of Health and Human Services:

<http://store.samhsa.gov/shin/content/SMA10-4510/SMA10-4510-06-BuildingYourProgram-PSH.pdf>

For consideration, provide **all** of the following:

1. Attach a list of developments for which you've provided permanent supportive housing services. Describe the types of services that were provided.
2. A signed copy of an MOU with a local service provider agency(ies). If no MOU exists, the service provider must sign this certification. If neither is available, provide an explanation for the lack of demonstrated partnership and describe how the property will receive referrals and from whom the residents will receive services.
3. Describe your target population(s): Homeless or formerly homeless, very low income, and people with disabilities
4. List the types of supportive services to be offered: Case management, Job search services, Budget counseling, Life skills training, Mental health counseling, and Housing search assistance
5. Who will be providing supportive services? Rappahannock Rapidan Community Services
6. What percentage of the total number of units will be marketed to and held available for tenants in need of supportive services? 20 %

In addition, I/we certify the following:

#### Services

**Tenant choice.** Supportive housing tenants will have choices in what support services they receive (i.e., not a limited menu of services). Individual Support Plans will reflect tenant-defined needs and preferences. As supportive service tenants' needs change over time, tenants can receive more or less intensive support services.

**Assertive outreach and engagement.** The service team will use a variety of outreach and engagement techniques to bring tenants into helping relationships.

**Case management.** Case managers will serve as the bridge between tenants and the supports that help them achieve stability and long-term tenancy.

## Appendices continued

### Housing

**Tenant choice.** Supportive housing tenants will be able to choose where they want to live. Tenants cannot be evicted from their housing for rejecting services.

**Access.** Supportive housing units will be available to people who are experiencing homelessness, are precariously housed and/or who have multiple barriers to housing stability, including disabilities and substance abuse.

**Quality.** Supportive housing units will be similar to other units in the project.

**Integration.** Supportive housing tenants with disabilities will have a right to receive housing and supportive services in the most integrated settings available, including in buildings that include neighbors who do not have disabilities and where there is access to an array of community services and resources used by people with and without disabilities.

**Rights of tenancy.** Supportive housing tenant leases or subleases will confer full rights of tenancy, including limitations on landlords' entry into the property and the right to challenge eviction in landlord-tenant court. Tenants can remain in their homes as long as the basic requirements of tenancy are met — paying the rent, not interfering with other tenants' use of their homes, not causing property damage, etc. House rules, if any, are similar to those found in other housing.

**Affordability.** Supportive housing tenants should pay no more than 30% of their incomes toward rent and basic utilities.

**Coordination between housing and services.** Property managers and support service staff will stay in regular communication and coordinate their efforts to help prevent evictions and to ensure tenants facing eviction have access to necessary services and supports.

**Delineated roles.** There will be a functional separation of roles, with the housing elements (rent collection, property maintenance, enforcement of responsibilities of tenancy) carried out by different staff than those providing services (case management, mental health treatment, wraparound services).

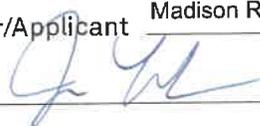
The undersigned Owner certifies that each of the above statements is true and correct.

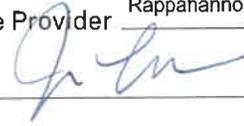
I/We agree that the commitment to provide supportive housing will remain in place throughout the Compliance Period (as described in the Extended Use Agreement).

Date 2/23/2023

Owner/Applicant Madison Road Apartments LLC

Service Provider Rappahannock-Rapidan Community Service

By 

By , Jim LaGraffe

Its Authorized Signatory

Its Executive Director

Title

Title

**MEMORANDUM OF UNDERSTANDING**  
between  
**RAPPAHANNOCK RAPIDAN COMMUNITY SERVICES**  
and  
**Madison Road Apartments, LLC**

This agreement between Rappahannock Rapidan Community Services (hereinafter referred to "RRCS") and Madison Road Apartments, LLC (hereinafter referred to as "Madison Road") is intended to facilitate meeting the housing needs of lower-income persons and families with special needs who are otherwise qualified under the RRCS's policies, procedures, and strategic plan to receive assistance.

**WITNESSETH**

Whereas, part of the mission between RRCS and Madison Road is to provide accessible housing to lower income persons and families with developmental and/or physical disabilities, and/or behavioral health issues and seniors in the Orange VA area; and

Whereas, RRCS manages the Housing Choice Voucher Program (hereinafter referred to as "HCVP), Permanent Support Housing (hereinafter referred to as "PSH"), State Rental Assistance Program (hereinafter referred to as "SRAP), and other rental housing subsidy programs in our catchment area, which provides rental assistance to lower income persons who are determined to be eligible for participation; and

Whereas, RRCS will provide community based services to individuals housed at the Madison Road Apartments during office hours 8:30-4:30 who meet eligibility requirements. These services could consist of the following:

- Housing Services – Renter Education, Fair Housing, Financial Planning
- Behavioral Health
- Case Management
- Aging Services
- Recovery Services

RRCS will provide linkages to other community resources as needed, to include crisis services for after hours emergencies.

Participation in these services is not a requirement of tenancy at Madison Road Apartments.

Whereas, RRCS maintains a waitlist for the HCVP, PSH, SRAP and other rental housing subsidy programs which includes eligible applications with special needs who have been unable to locate suitable housing to meet their needs; and

Whereas, applicants with special needs qualify for one of the local preferences established by RRCS and are thereby eligible to receive priority when RRCS makes a selection from its waitlist; and

Whereas, over the past 3 years, HCVP, PSH, SRAP, and other rental housing subsidies have become available through turnover and funding, and all of these vouchers and subsidies have gone to seniors and people with disabilities; and RRCS anticipates that the HCVP, PSH, and SRAP programs will

grow in the future with local preferences remaining the same, targeting individuals with disabilities, elderly, and low income

Whereas, many of those who have received the HCVP, PSH, SRAP, vouchers and other rental housing subsidies in the past 3 years are eligible to live in Madison Road properties; and

Whereas, based on aforesaid history and all other things being equal, RRCS anticipates that these ratios will remain the same in the near future; and

Whereas, Madison Road and RRCS intend to construct and manage 21 affordable and accessible housing units at the Madison Road development at 454 Madison Rd., in Orange County that will include affordable and accessible housing units, suitable for meeting the housing needs of lower income persons with special needs and seniors; and

Whereas, Madison Road and RRCS agree that housing stability and eviction prevention are on the forefront and renter education strategies will be put in place;

Whereas, Madison Road and RRCS have determined it is in their mutual benefit to enter into this cooperative agreement;

Now, Therefore, in consideration of the above premises, Madison Road and RRCS agree as follows:

1. The Madison Road project will provide office space to the staff of RRCS for support services.
2. The Madison Road project will have a property manager office for tenants to access.
3. Madison Road will notify RRCS of housing units which are available for occupancy in the Development.
4. Upon receipt of such notice, RRCS will notify persons with special needs and seniors on its rental housing subsidy waitlists of the availability of housing units in the Development.
5. Upon availability of funds and when a subsidy becomes available, RRCS will identify which program persons are eligible based upon program requirements and RRCS will give priority to handicapped persons (as that term is defined in the federal Fair Housing Act at 42 U.S.C. 3602(h)), homeless people (as that term is defined in 42 U.S.C. 11 302), and veterans (as defined in 38 U.S.C. 101); and people on the waitlist of the Virginia Department of Behavioral Health and Disability Services. RRCS will issue a HCVP voucher or provide another form of rental housing subsidy to applicants based on their position on the waitlist. Persons with multiple priorities are offered vouchers first. Normally multiple priorities include handicap preference. A tenant selection plan will be provided by Madison Road Apartments.
6. The designated Community Center will be used for the purpose of client education and services stated above as needed.

This Agreement will become effective upon its execution by both parties and will continue in effect indefinitely. At the request of either party, this Agreement shall be reviewed and may be amended by mutual consent. Should funding for the RRCS Housing Choice Voucher Program be terminated by the U.S. Department of Housing and Urban Development (HUD), or from its other sources, and no other source of Program funding be immediately available, this Agreement may be terminated by either RRCS or Madison Road upon giving not less than ninety (90) days written notice to the other party.

Both parties shall comply with all applicable laws in regard to their performance of any act in relation to this Agreement. This Agreement shall not be deemed to require RRCS to violate any of its existing policies or any obligation imposed upon by state or federal law.

In witness whereof, the parties have caused the Agreement to be executed by their respective Chairperson.

Madison Road Apartments, LLC

Rappahannock Rapidan Community Services

By 

By 

Date 3/8/2023

Date 3/8/2023

# **Tab T:**

Funding Documentation

# ORANGE COUNTY, VIRGINIA

## BOARD OF SUPERVISORS

R. MARK JOHNSON, DISTRICT ONE  
JAMES K. WHITE, DISTRICT TWO  
KEITH F. MARSHALL, DISTRICT THREE  
JAMES P. CROZIER, DISTRICT FOUR  
LEE H. FRAME, DISTRICT FIVE



THEODORE L. VOORHEES  
COUNTY ADMINISTRATOR

PHONE: (540) 672-3313  
FAX: (540) 672-1679

MAILING ADDRESS:  
P. O. Box 111  
ORANGE, VA 22960

PHYSICAL ADDRESS:  
R. LINDSAY GORDON III BUILDING  
112 WEST MAIN STREET  
ORANGE, VIRGINIA 22960

[orangecountyva.gov](http://orangecountyva.gov)

February 27, 2023

Jim LaGraffe, Executive Director  
Rappahannock-Rapidan Community Services  
P. O. Box 1568  
Culpeper, Virginia 22701

RE: Tax Valuation of Donated Property  
Madison Road Apartments  
Tax Map 44A3-10-8

Dear Mr. LaGraffe,

This information is provided to accompany the application for tax credits for development of the referenced project.

According to the land records of Orange County, Virginia, the donated parcel is valued at \$395,457 in two (2) structures and \$250,000 in land. Since the parent parcel is proposed to be subdivided equally, the land valuation consists of 50% +/- of the referenced parcel which is valued at \$500,000. The total valuation of land and buildings is \$645,457.

Sincerely,

Theodore L. Voorhees  
County Administrator

cc: Thomas Lacheney, County Attorney  
Glenda Bradley, Deputy County Administrator  
Renee Pope, Commissioner of the Revenue

# ORANGE COUNTY, VIRGINIA

## BOARD OF SUPERVISORS

R. MARK JOHNSON, DISTRICT ONE  
JAMES K. WHITE, DISTRICT TWO  
KEITH F. MARSHALL, DISTRICT THREE  
JAMES P. CROZIER, DISTRICT FOUR  
LEE H. FRAME, DISTRICT FIVE



THEODORE L. VOORHEES  
COUNTY ADMINISTRATOR

PHONE: (540) 672-3313  
FAX: (540) 672-1679

MAILING ADDRESS:  
P. O. Box 111  
ORANGE, VA 22960

PHYSICAL ADDRESS:  
R. LINDSAY GORDON III BUILDING  
112 WEST MAIN STREET  
ORANGE, VIRGINIA 22960

[orangecountyva.gov](http://orangecountyva.gov)

February 27, 2023

Jim LaGraffe, Executive Director  
Rappahannock-Rapidan Community Services  
P. O. Box 1568  
Culpeper, Virginia 22701

RE: Madison Road Apartments  
Tax Map 44A3-10-8

Dear Mr. LaGraffe,

The Orange County Board of Supervisors stands in support of the referenced project to replace the now closed Sheltering Arms building with the Madison Road Apartments supportive housing development. To accomplish this objective, Orange County shall subdivide the referenced parcel substantially in accordance with the plans entitled Madison Road Apartments, Tax Map 44A3-10-8, Orange County, Virginia prepared by Hinchey and Baines, PLC dated February 22, 2023. The northernmost parcel shall be conveyed to RRCS for the public purposes associated with the plan, and shall include an access easement to Dogwood Lane, a private street owned and maintained by Orange County through its Health Center Authority. Additionally, the conveyance shall include an easement to access a shared parking lot on the residual parcel which will serve the existing Orange County Health Department Building and the proposed new Madison Road Apartments.

We appreciate your efforts to move this project forward. Please let us know how we may further assist in this endeavor.

Sincerely,

Theodore L. Voorhees  
County Administrator

cc: Thomas Lacheney, County Attorney

# **Tab U:**

Acknowledgement by Tenant of the availability of Renter  
Education provided by Virginia Housing

## Virginia Housing Renter Education Program

Whether it's a house, apartment, duplex or townhouse, renting can have its advantages over purchasing. Here are some resources to help you understand and explore your options for finding affordable rental housing in Virginia. As a renter, you have certain rights that protect you and your interests, but you also have responsibilities. Become familiar with what you need to know.

Virginia Housing provides Renters the opportunity to complete free courses and access other resources at their website. Renters are encouraged but not required to access this information.

To begin, Renters need to create an account on the VHDA website that is included in the links below. The eBook is a comprehensive resource that covers financial readiness, credit, searching for rentals, the application, the lease agreement, security deposit, tenant rights & responsibilities, housekeeping, and maintenance & repairs.

The online course is available in both English and Spanish. It is comprised of nine (9) standalone modules/chapters and is available 24 hours a day. A Certificate of Completion is made available at the completion of each chapter. Renters can download the certificate, print, save, and share by email if desired.

### Links for Assistance to Renters Before Taking the Renter Education Program:

<https://www.virginiahousing.com/renters>

<https://www.virginiahousingsearch.com/Resources.html>

<https://www.virginiahousing.com/renters/education>

Acknowledgment of Renter of \_\_\_\_\_ (Apartments):

Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

Printed: \_\_\_\_\_

# **Tab V:**

Nonprofit or LHA Purchase Option or Right of First  
Refusal

## Appendices continued

RECORDING REQUESTED BY: \_\_\_\_\_

AND WHEN RECORDED MAIL TO: \_\_\_\_\_

### RIGHT OF FIRST REFUSAL AGREEMENT

#### **Madison Road Apartments**

RIGHT OF FIRST REFUSAL AGREEMENT (the "Agreement") dated as of [Closing Date] by and among **Madison Road Apartments LLC**, a Virginia limited liability company (the "Owner" or the "Company"), **Rappahannock Rapidan Community Services**, a Virginia non-stock nonprofit corporation (the "Grantee"), and is consented to by **Madison Road Apartments Management LLC**, a Virginia limited liability company (the "Managing Member"), **VCDC Equity Fund 27, L.L.C.**, a Virginia limited liability company (the "Investor Member") and **VAHM, L.L.C.** a Virginia limited liability company (the "Special Member"). The Managing Member, the Investor Member and the Special Member are sometimes collectively referred to herein as the "Consenting Members". The Investor Member and Special Member are sometimes collectively referred to herein as the "Non-Managing Members". This Agreement shall be fully binding upon and inure to the benefit of the parties and their successors and assigns to the foregoing.

#### Recitals

- A. The Owner, pursuant to its [Amended and Restated] Operating Agreement dated on or about the date hereof by and among the Consenting Members (the "Operating Agreement"), is engaged in the ownership and operation of an 21-unit apartment project for families located in the Town of Orange, Virginia and commonly known as "Madison Road Apartments" (the "Project"). The real property comprising the Project is legally defined on Exhibit A.
- B. The Grantee is a member of the Managing Member of the Owner and is instrumental to the development and operation of the Project; and
- C. The Owner desires to give, grant, bargain, sell and convey to the Grantees certain rights of first refusal to purchase the Project on the terms and conditions set forth herein;
- D. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Operating Agreement.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which the parties hereto acknowledge, the parties hereby agree as follows:

#### Section 1. Right of First Refusal

The Owner hereby grants to the Grantee a right of first refusal (the "Refusal Right") to purchase the real estate, fixtures, and personal property comprising the Project or associated with the physical operation thereof and owned by the Company at the time (the "Property"), for the price and subject to the other terms and conditions set forth below. The Property will include any

## Appendices continued

reserves of the Partnership that is required by Virginia Housing (or the “Credit Authority”) or any lender of a loan being assumed in connection with the exercise of the Refusal Right to remain with the Project.

### Section 2. Exercise of Refusal Right: Purchase Price

- A. After the end of the Compliance Period, the Company agrees that it will not sell the Property or any portion thereof to any Person without first offering the Property to the Grantee (the “Refusal Right”), for the Purchase Price (as defined in Section 3); *provided, however,* that such Refusal Right shall be conditioned upon the receipt by the Company of a “bona fide offer” (the acceptance or rejection of which shall not require the Consent of the Members). The Company shall give the notice of its receipt of such offer (the “Offer Notice”) and shall deliver a copy of the Offer Notice to the Grantee. Upon receipt by the Grantee of the Offer Notice, the Grantee shall have 90 days to deliver to Company a written notice of its intent to exercise the Refusal Right (the “Election Notice”). An offer made with the purchase price and basic terms of the proposed sale from a third party shall constitute a “bona fide offer” for purposes of this Agreement. Such offer (i) may be solicited by the Grantee or the Managing Member (with such solicitation permitted to begin at any time following the end of the fourteenth (14th) year of the Compliance Period provided that the Election Notice may not be sent until the end of the Compliance Period) and (ii) may contain customary due diligence, financing, and other contingencies. Notwithstanding anything to the contrary herein, a sale of the Project pursuant to the Refusal Right shall not require the Consent of the Non-Managing Members [or of Virginia Housing].
- B. If the Grantee fails to deliver the Election Notice within ninety (90) days of receipt of the Offer Notice, or if such Election Notice is delivered but the Grantee does not consummate the purchase of the Project within 270 days from the date of delivery of the Election Notice (each, individually, a “Terminating Event”), then its Refusal Right shall terminate and the Company shall be permitted to sell the Property free of the Refusal Right.

### Section 3. Purchase Price: Closing

- A. The purchase price for the Property pursuant to the Refusal Right (the “Purchase Price”) shall equal the sum of (i) the principal amount of all outstanding indebtedness secured by the Project, and any accrued interest on any of such debts and (ii) all federal, State, and local taxes attributable to such sale, including those incurred or to be incurred by the partners or members of the Non-Managing Members. Notwithstanding the foregoing, however, the Purchase Price shall never be less than the amount of the “minimum purchase price” as defined in Section 42(i)(7)(B) of the Code. The Refusal Right granted hereunder is intended to satisfy the requirements of Section 42(i)(7) of the Code and shall be interpreted consistently therewith. In computing such price, it shall be assumed that each of the Non-Managing Members of the Owner (or their constituent partners or members) has an effective combined federal, state and local income tax rate equal to the maximum of such rates in effect on the date of Closing.
- B. All costs of the Grantee’s purchase of the Property pursuant to the Refusal Right, including any filing fees, shall be paid by Grantee.

## Appendices continued

C. The Purchase Price shall be paid at Closing in one of the following methods:

- (i) the payment of all cash or immediately available funds at Closing, or
- (ii) the assumption of any assumable Loans if Grantee has obtained the consent of the lenders to the assumption of such Loans, which consent shall be secured at the sole cost and expense of Grantee; provided, however, that any Purchase Price balance remaining after the assumption of the Loans shall be paid by Grantee in immediately available funds.

### Section 4. Conditions Precedent; Termination

A. Notwithstanding anything in this Agreement to the contrary, the right of the Grantee to exercise the Refusal Right and consummate any purchase pursuant thereto is contingent on each of the following being true and correct at the time of exercise of the Refusal Right and any purchase pursuant thereto:

- (i) the Grantee or its assignee shall be a “qualified nonprofit organization” as defined in Section 42(h)(5)(C) of the Code or another qualified purchaser described in Section 42(i)(7)(A) of the Code (collectively, each, a “Qualified Beneficiary”); and
- (ii) the Project continues to be a “qualified low-income housing project” within the meaning of Section 42 of the Code.

B. This Agreement shall automatically terminate upon the occurrence of any of the following events and, if terminated, shall not be reinstated unless such reinstatement is agreed to in a writing signed by the Grantee and each of the Consenting Members:

- (i) the transfer of the Property to a lender in total or partial satisfaction of any loan; or
- (ii) any transfer or attempted transfer of all or any part of the Refusal Right by the Grantee, whether by operation of law or otherwise, except as otherwise permitted under Section 7 of this Agreement; or
- (iii) the Project ceases to be a “qualified low-income housing project” within the meaning of Section 42 of the Code, or
- (iv) the Grantee fails to deliver its Election Notice or consummate the purchase of the Property within the timeframes set forth in Section 2 above.

### Section 5. Contract and Closing

Upon determination of the purchase price, the Owner and the Grantee shall enter into a written contract for the purchase and sale of the Property in accordance with the terms of this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Property is located, providing for a closing (the “Closing”) to occur in Orange County, Virginia not later than the timeframes set forth in Section 2. In the absence of any such contract, this Agreement shall be specifically enforceable upon the exercise of the Refusal Right.

### Section 6. Conveyance and Condition of the Property

The Owner’s right, title and interest in the Property shall be conveyed by quitclaim deed, subject to such liens, encumbrances and parties in possession as shall exist as of the date of Closing. The Grantee shall accept the Property “**AS IS, WHERE IS**” and “**WITH ALL FAULTS AND DEFECTS,**”

## Appendices continued

latent or otherwise, without any warranty or representation as to the condition thereof whatsoever, including without limitation, without any warranty as to fitness for a particular purpose, habitability, or otherwise and no indemnity for hazardous waste or other conditions with respect to the Property will be provided. It is a condition to Closing that all amounts due to the Owner and the Investor Member from the Grantee or its Affiliates be paid in full. The Grantee shall pay all closing costs, including, without limitation, the Owner's attorney's fees. Upon closing, the Owner shall deliver to the Grantee, along with the deed to the property, an ALTA owner's title insurance policy dated as of the close of escrow in the amount of the purchase price, subject to the liens, encumbrances and other exceptions then affecting the title.

### Section 7. Transfer

The Refusal Right shall not be transferred to any Person without the Consent of the Investor Member, except that the Grantee may assign all or any of its rights under this Agreement to an Affiliate of Grantee (a "Permitted Assignee") at the election and direction of the Grantee or to any assignee that shall be a "qualified nonprofit organization" as defined in Section 42(h)(5)(C) of the Code or another qualified purchaser described in Section 42(i)(7)(A) of the Code (collectively, each, a "Qualified Beneficiary").

In the case of any transfer of the Refusal Right (i) all conditions and restrictions applicable to the exercise of the Refusal Right or the purchase of the Property pursuant thereto shall also apply to such transferee, and (ii) such transferee shall be disqualified from the exercise of any rights hereunder at all times during which Grantee would have been ineligible to exercise such rights hereunder had it not effected such transfer.

### Section 8. Rights Subordinate: Priority of Requirements of Section 42 of the Code

This Agreement is subordinate in all respects to any regulatory agreements and to the terms and conditions of the Mortgage Loans encumbering the Property. In addition, it is the intention of the parties that nothing in this Agreement be construed to affect the Owner's status as owner of the Property for federal income tax purposes prior to exercise of the Refusal Right granted hereunder. Accordingly, notwithstanding anything to the contrary contained herein, both the grant and the exercise of the Refusal Right shall be subject in all respects to all applicable provisions of Section 42 of the Code, including, in particular, Section 42(i)(7). In the event of a conflict between the provisions contained in this Agreement and Section 42 of the Code, the provisions of Section 42 shall control.

### Section 9. Option to Purchase

A. The parties hereto agree that if the Service hereafter issues public authority to permit the owner of a low-income housing tax credit project to grant an "option to purchase" pursuant to Section 42(i)(7) of the Code as opposed to a "right of first refusal" without adversely affecting the status of such owner as owner of its project for federal income tax purposes, then the parties shall amend this Agreement and the Owner shall grant the Grantee an option to purchase the Property at the Purchase Price provided in Section 3 hereof and that meets the requirements of Code Section 42(i)(7).

## Appendices continued

B. If the Service hereafter issues public authority to permit the owner of a low-income housing tax credit project to grant a “right of first refusal to purchase partner interests” and/or “purchase option to purchase partner interests” pursuant to Section 42(i)(7) of the Code (or other applicable provision) as opposed to a “right of first refusal to purchase the Project” without adversely affecting the status of such owner as owner of its project for federal income tax purposes (or the status of the Investor Member as a partner of the Company for federal income tax purposes) then the parties shall amend this Agreement and the Investor Members shall provide a right of first refusal and/or purchase option, as the case may be, to acquire their Interests for the Purchase Price provided in Section 3 hereof and that meets the requirements of Code Section 42(i)(7).

### Section 10. Notice

Except as otherwise specifically provided herein, all notices, demands or other communications hereunder shall be in writing and shall be deemed to have been given and received (i) two (2) business days after being deposited in the United States mail and sent by certified or registered mail, postage prepaid, (ii) one (1) business day after being delivered to a nationally recognized overnight delivery service, (iii) on the day sent by telecopier or other facsimile transmission, answer back requested, or (iv) on the day delivered personally, in each case, to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to the other party:

- (i) If to the Owner, at the principal office of the Company set forth in Article II of the Operating Agreement;
- (ii) If to a Consenting Member, at their respective addresses set forth in Schedule A of the Operating Agreement;
- (iii) If to the Grantee, Rappahannock Rapidan Community Services, 15361 Bradford Road, Culpeper VA 22701 ; and

### Section 11. Severability of Provisions

Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

### Section 12. Binding Provisions

The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective parties hereto, except in each case as expressly provided to the contrary in this Agreement.

### Section 13. Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

## Appendices continued

### Section 14. Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflicts of law. Notwithstanding the foregoing, Company, Investor Member and Grantee do not intend the Refusal Right in this Agreement to be a common law right of first refusal but rather intend it to be understood and interpreted as a mechanism authorized by Section 42 of the Code to allow nonprofit entities to preserve affordable housing for low-income families in accordance with Grantee's charitable objectives.

### Section 15. Headings

All headings in this Agreement are for convenience of reference only. Masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

### Section 16. Amendments

This Agreement shall not be amended except by written agreement between Grantee and the Owner with the consent of each of the Consenting Members [and Virginia Housing].

### Section 17. Time

Time is of the essence with respect to this Agreement, and all provisions relating thereto shall be so construed.

### Section 18. Legal Fees

Except as otherwise provided herein, in the event that legal proceedings are commenced by the Owner against the Grantee or by the Grantee against the Owner in connection with this Agreement or the transactions contemplated hereby, the prevailing party shall be entitled to recover all reasonable attorney's fees and expenses.

### Section 19. Subordination

This Agreement is and shall remain automatically subject and subordinate to any bona fide mortgage to (or assigned to) an institutional or governmental lender with respect to the Project and, in the event of a foreclosure of any such mortgage, or of the giving of a deed in lieu of foreclosure to any such mortgagee, this Agreement shall become void and shall be of no further force or effect.

### Section 20. Rule Against Perpetuities Savings Clause

The term of this Agreement will be ninety years commencing on the date first written above unless sooner terminated pursuant to the provisions hereof. If any provision of this Agreement is construed as violating and applicable "Rule Against Perpetuities" by statute or common law, such provision will be deemed to remain in effect only until the death of the last survivor of the now living descendants of any member of the 116th Congress of the United States, plus twenty-one (21) years thereafter. This Agreement and the Refusal Right herein granted are covenants running

## Appendices continued

with the land and the terms and provisions hereof will be binding upon, inure to the benefits of and be enforceable by the parties hereto and their respective successors and assigns.

### Section 21. Third Party Beneficiary; Virginia Housing Rights and Powers

The Virginia Housing Development Authority ("Virginia Housing") shall be a third party beneficiary to this Agreement, and the benefits of all of the covenants and restrictions hereof shall inure to the benefit of Virginia Housing, including the right, in addition to all other remedies provided by law or in equity, to apply to any court of competent jurisdiction within the Commonwealth of Virginia to enforce specific performance by the parties or to obtain an injunction against any violations hereof, or to obtain such other relief as may be appropriate. The Authority and its agents shall have those rights and powers with respect to the Project as set forth in the Act and the Virginia Housing Rules and Regulations promulgated thereunder, including without limitation, those rights and powers set forth in Chapter 1.2 of Title 365 of the Code of Virginia (1950), as amended, and 13VAC10-180-10 et seq., as amended.

# Appendices continued

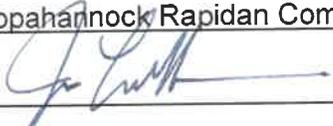
IN WITNESS WHEREOF, the parties hereto have executed this Right of First Refusal Agreement as of the date first stated above.

**OWNER:**

**Madison Road Apartments LLC**, a Virginia limited liability company

By: **Madison Road Apartments Management LLC**, a Virginia limited liability company, its managing member

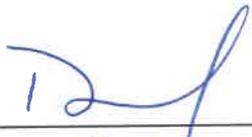
By: Rappahannock Rapidan Community Services, its Managing Member

By: 

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Culpeper

On March 6, 2023, before me, the undersigned, a notary public in and for said state, personally appeared James LaGraffe, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as the Executive Director of the Rappahannock Rapidan Community Services, the managing member of Madison Road Apartments Management LLC, which is the managing member of Madison Road Apartments LLC and that by his signature on the instrument, the entity, individual or the person on behalf of which the individual acted, executed the instrument.

Notary Public: 

Commission Expires: 9-30-25

Registration No.: 136727



# Appendices continued

**GRANTEE:**

Rappahannock Rapidan Community Services, a Virginia non-stock nonprofit corporation

By: 

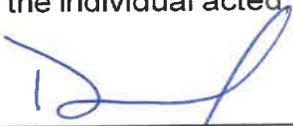
Name: Jim LaGraffe

Title: Executive Director

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Culpeper

On March 6, 2023, before me, the undersigned, a notary public in and for said state, personally appeared Jim LaGraffe, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as Executive Director of Rappahannock Rapidan Community Services, and that by his signature on the instrument, the entity, individual or the person on behalf of which the individual acted, executed the instrument.

Notary Public: 

Commission Expires: 9-30-25

Registration No.: 136727



Right of First Refusal Agreement  
Madison Road Apartments  
Signature Page 2 of 4

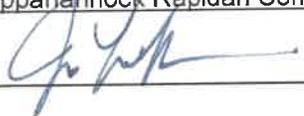
# Appendices continued

The undersigned hereby consents to the foregoing Right of First Refusal Agreement as of the date first set forth hereinabove.

## MANAGING MEMBER:

Madison Road Apartments Management LLC, a Virginia limited liability company

By: Rappahannock Rapidan Community Services, its Managing Member

By: 

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Culpeper

On March 6, 2023, before me, the undersigned, a notary public in and for said state, personally appeared James LaGraffe, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as Executive Director of Rappahannock Rapidan Community Services, the sole member of Madison Road Apartments Management LLC, and that by his signature on the instrument, the entity, individual or the person on behalf of which the individual acted, executed the instrument.

Notary Public: 

Commission Expires: 9-30-25

Registration No.: 136727



## Appendices continued

The undersigned hereby consents to the foregoing Right of First Refusal Agreement as of the date first set forth hereinabove.

### **INVESTOR MEMBER:**

**VCDC Equity Fund 27, LLC**, a Virginia limited liability company

By: Virginia Housing Capital Corporation, its Managing Member

By: \_\_\_\_\_

### **SPECIAL MEMBER:**

**VAHM, L.L.C.** a Virginia limited liability company

By: **Housing Capital Corporation of Virginia**, a Virginia non-stock corporation, its sole member

By: \_\_\_\_\_

STATE OF \_\_\_\_\_

CITY/COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 20 \_\_, before me, the undersigned, a notary public in and for said state, personally appeared [ \_\_\_\_\_ ], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as \_\_\_\_\_ of Virginia Housing Capital Corporation the manager of **VCDC Fund 26, L.L.C.**, a Virginia limited liability company, and **VAHMC, L.L.C.**, a Virginia limited liability company, and that by his signature on the instrument, the entity, individual or the person on behalf of which the individual acted, executed the instrument.

Notary Public \_\_\_\_\_

Commission expires \_\_\_\_\_

Right of First Refusal Agreement  
Madison Road Apartments  
Signature Page 4 of 4

Appendices continued

EXHIBIT A

LEGAL DESCRIPTION

[insert legal]

## LEGAL DESCRIPTION

ALL THAT certain tract of land lying and being situated in the Spotswood Magisterial District, Town of Orange, Orange County, Virginia, containing 0.7400 acres, more or less, as described as follows:

Beginning at a corner in the westerly right of way of U.S. Route 15, thence running along a curve for 111.05' with a chord bearing of S13°57'08"E and radius of 1938.36' to an iron rod found in the westerly right of way of U.S. Rt. 15, thence S73°12'58"W 14.99' to an iron rod found in the westerly right of way of Rt. 15, thence running along a curve 17.48' with a chord bearing of S15°51'00"E and a radius of 1953.36' to a point on the westerly right of way of Rt. 15, thence S69°43'33"W 196.10' to a point on the property line common to The County of Orange (also Dogwood Lane), thence N12°14'55"W 187.43' to a nail in Dogwood Lane, thence N86°13'13"E 206.98' to the point and place of beginning, containing 0.74 acres of land.

TOGETHER WITH AND SUBJECT TO the rights of others in and to a non-exclusive right of way of unspecified width but following existing paved Dogwood Lane over this tract of land.

AND BEING the same property conveyed to the County of Orange by deed recorded in deed book 147 page 45 of the land records of Orange County, Virginia.

# **Tab W:**

Internet Safety Plan and Resident Information Form (if internet amenities selected)

# Draft Internet Security Plan

## Network Security:

### 1. Purpose

This standard specifies the technical requirements that wireless infrastructure devices must satisfy to connect to a (Owner) network. Only those wireless infrastructure devices that meet the requirements specified in this standard or are granted an exception by the InfoSec Team are approved for connectivity to the Owner's network.

Network devices including, but not limited to, hubs, routers, switches, firewalls, remote access devices, modems, or wireless access points, must be installed, supported, and maintained by an Information Security (Infosec) approved support organization.

### 2. Scope

All employees, contractors, consultants, temporary and other workers at Owner and its subsidiaries/affiliates, including all personnel that maintain a wireless infrastructure device on behalf of the Owner, must comply with this standard. This standard applies to wireless devices that make a connection the network and all wireless infrastructure devices that provide wireless connectivity to the network. Infosec must approve exceptions to this standard in advance.

### 3. Standard

#### 3.1 General Requirements:

All wireless infrastructure devices that connect to the Owner's network or provide access to the Owner Confidential, Owner Highly Confidential, or Owner Restricted information must:

- Use Extensible Authentication Protocol-Fast Authentication via Secure Tunneling (EAP-FAST), Protected Extensible Authentication Protocol (PEAP), or Extensible Authentication Protocol-Translation Layer Security (EAP-TLS) as the authentication protocol.
- Use Temporal Key Integrity Protocol (TKIP) or Advanced Encryption System (AES) protocols with a minimum key length of 128 bits.
- All Bluetooth devices must use Secure Simple Pairing with encryption enabled.4.2Lab and Isolated Wireless Device Requirements
- Lab device Service Set Identifier (SSID) must be different from the Owner's production device SSID.
- Broadcast of lab device SSID must be disabled.4.3 Home Wireless Device Requirements  
All home wireless infrastructure devices that provide direct access to the Owner's network, such as those behind Enterprise Teleworker (ECT) or hardware VPN, must adhere to the following:
- Enable WiFi Protected Access Pre-shared Key (WPA-PSK), EAP-FAST, PEAP, or EAP-TLS

- When enabling WPA-PSK, configure a complex shared secret key (at least 20 characters) on the wireless client and the wireless access point
- Disable broadcast of SSID
- Change the default SSID name
- Change the default login and password

## 4. Policy Compliance

### 4.1 Compliance Measurement

The Infosec team will verify compliance to this policy through various methods, including but not limited to, periodic walk-thrus, video monitoring, business tool reports, internal and external audits, and feedback to the policy owner.

### 4.2 Exceptions

Any exception to the policy must be approved by the Infosec Team in advance.

### 4.3 Non-Compliance

An employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

## Equipment

### 1. Purpose

The purpose of this policy is to outline the acceptable use of computer equipment at (Owner). These rules are in place to protect the employee and Owner. Inappropriate use exposes the Owner to risks including virus attacks, compromise of network systems and services, and legal issues.

### 2. Scope

This policy applies to the use of information, electronic and computing devices, and network resources to conduct the Owner's business or interact with internal networks and business systems, whether owned or leased by Owner, the employee, or a third party. All employees, contractors, consultants, temporary, and other workers at Owner and its subsidiaries are responsible for exercising good judgment regarding appropriate use of information, electronic devices, and network resources in accordance with Owner's policies and standards, and local laws and regulation. Exceptions to this policy are documented in section 5.2.

This policy applies to employees, contractors, consultants, temporaries, and other workers at Owner including all personnel affiliated with third parties. This policy applies to all equipment that is owned or leased by Owner.

### 3. Policy

#### 3.1 General Use and Ownership

3.1.1 Owner proprietary information stored on electronic and computing devices whether owned or leased by Owner, the employee or a third party, remains the sole property of the Owner. You must ensure through legal or technical means that proprietary information is protected in accordance with the Data Protection Standard.

3.1.2 You have a responsibility to promptly report the theft, loss or unauthorized disclosure of Owner proprietary information.

3.1.3 You may access, use or share Owner proprietary information only to the extent it is authorized and necessary to fulfill your assigned job duties.

3.1.4 Employees are responsible for exercising good judgment regarding the reasonableness of personal use. Individual departments are responsible for creating guidelines concerning personal use of Internet/Intranet/Extranet systems. In the absence of such policies, employees should be guided by departmental policies on personal use, and if there is any uncertainty, employees should consult their supervisor or manager.

3.1.5 For security and network maintenance purposes, authorized individuals within Owner may monitor equipment, systems and network traffic at any time, per Infosec's Audit Policy.

3.1.6 Owner reserves the right to audit networks and systems on a periodic basis to ensure compliance with this policy.

#### 3.2 Security and Proprietary Information

3.2.1 All mobile and computing devices that connect to the internal network must comply with the Minimum Access Policy.

3.2.2 System level and user level passwords must comply with the Password Policy. Providing access to another individual, either deliberately or through failure to secure its access, is prohibited.

3.2.3 All computing devices must be secured with a password-protected screensaver with the automatic activation feature set to 10 minutes or less. You must lock the screen or log off when the device is unattended.

3.2.4 Postings by employees from an Owner email address to newsgroups should contain a disclaimer stating that the opinions expressed are strictly their own and not necessarily those of the Owner, unless posting is in the course of business duties.

3.2.5 Employees must use extreme caution when opening e-mail attachments received from unknown senders, which may contain malware.

### 3.3 Unacceptable Use

The following activities are, in general, prohibited. Employees may be exempted from these restrictions during the course of their legitimate job responsibilities (e.g., systems administration staff may have a need to disable the network access of a host if that host is disrupting production services).

Under no circumstances is an employee of Owner authorized to engage in any activity that is illegal under local, state, federal or international law while utilizing Owner-owned resources.

The lists below are by no means exhaustive, but attempt to provide a framework for activities which fall into the category of unacceptable use.

#### 3.3.1 System and Network Activities

The following activities are strictly prohibited, with no exceptions:

- Violations of the rights of any person or company protected by copyright, trade secret, patent or other intellectual property, or similar laws or regulations, including, but not limited to, the installation or distribution of "pirated" or other software products that are not appropriately licensed for use by Owner.
- Unauthorized copying of copyrighted material including, but not limited to, digitization and distribution of photographs from magazines, books or other copyrighted sources, copyrighted music, and the installation of any copyrighted software for which Owner or the end user does not have an active license is strictly prohibited.
- Accessing data, a server or an account for any purpose other than conducting Owner's business, even if you have authorized access, is prohibited.
- Exporting software, technical information, encryption software or technology, in violation of international or regional export control laws, is illegal. The appropriate management should be consulted prior to export of any material that is in question.
- Introduction of malicious programs into the network or server (e.g., viruses, worms, Trojan horses, e-mail bombs, etc.).
- 6. Revealing your account password to others or allowing use of your account by others. This includes family and other household members when work is being done at home.
- Using an Owner computing asset to actively engage in procuring or transmitting material that is in violation of sexual harassment or hostile workplace laws in the user's local jurisdiction.
- Making fraudulent offers of products, items, or services originating from any Owner account.

- Making statements about warranty, expressly or implied, unless it is a part of normal job duties.
- Effecting security breaches or disruptions of network communication. Security breaches include, but are not limited to, accessing data of which the employee is not an intended recipient or logging into a server or account that the employee is not expressly authorized to access, unless these duties are within the scope of regular duties. For purposes of this section, "disruption" includes, but is not limited to, network sniffing, pinged floods, packet spoofing, denial of service, and forged routing information for malicious purposes. 11. Port scanning or security scanning is expressly prohibited unless prior notification to Infosec is made.
- Executing any form of network monitoring which will intercept data not intended for the employee's host, unless this activity is a part of the employee's normal job/duty.
- Circumventing user authentication or security of any host, network or account.
- Introducing honeypots, honeynets, or similar technology on the <Company Name> network.
- Interfering with or denying service to any user other than the employee's host (for example, denial of service attack).
- Using any program/script/command, or sending messages of any kind, with the intent to interfere with, or disable, a user's terminal session, via any means, locally or via the Internet/Intranet/Extranet.
- Providing information about, or lists of, Owner's employees to parties outside Owner.

### 3.3.2 Email and Communication Activities

When using company resources to access and use the Internet, users must realize they represent the company. Whenever employees state an affiliation to the company, they must also clearly indicate that "the opinions expressed are my own and not necessarily those of the company". Questions may be addressed to the IT Department

- Sending unsolicited email messages, including the sending of "junk mail" or other advertising material to individuals who did not specifically request such material (email spam).
- Any form of harassment via email, telephone or paging, whether through language, frequency, or size of messages.
- Unauthorized use, or forging, of email header information.
- Solicitation of email for any other email address, other than that of the poster's account, with the intent to harass or to collect replies.
- Creating or forwarding "chain letters", "Ponzi" or other "pyramid" schemes of any type.
- Use of unsolicited email originating from within Owner's networks of other Internet/Intranet/Extranet service providers on behalf of, or to advertise, any service hosted by Owner or connected via Owner's network.
- Posting the same or similar non-business-related messages to large numbers of Usenet newsgroups (newsgroup spam).

### 3.3.3 Blogging and Social Media

1. Blogging by employees, whether using Owner's property and systems or personal computer systems, is also subject to the terms and restrictions set forth in this Policy. Limited and occasional use of Owner's systems to engage in blogging is acceptable, provided that it is done in a professional and responsible manner, does not otherwise violate Owner's policy, is not detrimental to Owner's best interests, and does not interfere with an employee's regular work duties. Blogging from Owner's systems is also subject to monitoring.
2. Owner's Confidential Information policy also applies to blogging. As such, Employees are prohibited from revealing any Owner confidential or proprietary information, trade secrets or any other material covered by Owner's Confidential Information policy when engaged in blogging.
3. Employees shall not engage in any blogging that may harm or tarnish the image, reputation and/or goodwill of Owner and/or any of its employees. Employees are also prohibited from making any discriminatory, disparaging, defamatory or harassing when blogging or otherwise engaging in any conduct prohibited by Owner's Non-Discrimination and Anti-Harassment policy.
4. Employees may also not attribute personal statements, opinions or beliefs to Owner when engaged in blogging. If an employee is expressing his other beliefs and/or opinions in blogs, the employee may not, expressly or implicitly, represent themselves as an employee or representative of Owner's Employees assume any and all risk associated with blogging.
5. Apart from following all laws pertaining to the handling and disclosure of copyrighted or export controlled materials, Owner's trademarks, logos and any other Owner intellectual property may also not be used in connection with any blogging activity

## 4. Policy Compliance

### 4.1 Compliance Measurement

The Infosecteam will verify compliance to this policy through various methods, including but not limited to, business tool reports, internal and external audits, and feedback to the policy owner.

### 4.2 Exceptions

Any exception to the policy must be approved by the Infosecteam in advance.

### 4.3 Non-Compliance

An employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

## Internet Acceptable Use Policy (AUP)

All users of Internet services agree to and must comply with this Acceptable Use Policy (AUP). does not exercise editorial control or review over the content of any Web site, electronic mail transmission, paper printout, newsgroup, or other material created or accessible over or through the Services. However, may remove, block, filter, or restrict by any other means any materials that, in sole discretion, may be illegal, may subject to liability, or which may violate this AUP. may cooperate with legal authorities and/or third parties in the investigation of any suspected or alleged crime or civil wrong. Violation of this AUP may result in the suspension or termination of either access to the Services and/or account or other actions as detailed below.

The following constitute violations of this AUP (this list is intended to be illustrative and not exhaustive; other uses may violate the AUP and remains the sole and final arbiter of acceptable usage of its Services):

- **Illegal use:** Using the Services to transmit any material (by email, uploading, posting, or otherwise) that, intentionally or unintentionally, violates any applicable local, state, national or international law, or any rules or regulations promulgated there under.
- **Harm to minors:** Using the Services to harm, or attempt to harm, minors in any way.
- **Threats:** Using the Services to transmit any material (by email, uploading, posting, or otherwise) that threatens or encourages bodily harm or destruction of property.
- **Harassment:** Using the Services to transmit any material (by email, uploading, posting, or otherwise) that harasses another.
- **Fraudulent activity:** Using the Services to make fraudulent offers to sell or buy products, items, or services or to advance any type of financial scam such as "pyramid schemes", "Ponzi schemes", unregistered sales of securities, securities fraud and "chain letters."
- **Forgery or impersonation:** Adding, removing or modifying identifying network, message, or article header information in an effort to deceive or mislead is prohibited. Attempting to impersonate any person by using forged headers or other identifying information is prohibited. The use of anonymous remailers or nicknames does not constitute impersonation.
- **Unsolicited commercial email/Unsolicited bulk email:** Using the Services to transmit any unsolicited commercial email or unsolicited bulk email. Activities that have the effect of facilitating unsolicited commercial email or unsolicited bulk email, whether or not that email is commercial in nature, are prohibited. Using deliberately misleading headers in e-mails sent to multiple parties is prohibited.
- **Unauthorized access:** Using the Services to access, or to attempt to access, the accounts of others, or to penetrate, or attempt to penetrate, security measures of 's or another entity's computer software or hardware, electronic communications system, or telecommunications system, whether or not the intrusion results in disruption of service or the corruption or loss of data.
- **Copyright or trademark infringement:** Using the Services to transmit any material (by email, uploading, posting, or otherwise) that infringes any copyright, trademark, patent, trade secret, or other proprietary rights of any third party, including, but not limited to, the unauthorized copying of copyrighted material, the digitization and distribution of photographs from magazines, books, or other copyrighted sources, and the unauthorized transmittal of copyrighted software.
- **Collection of personal data:** Using the Services to collect, or attempt to collect, personal information about third parties without their knowledge or consent.
- **Reselling the services:** Reselling the Services without 's authorization.

- **Network disruptions and unfriendly activity:** Using the Services for any activity which adversely affects the ability of other people or systems to use Services or the Internet. This includes excessive consumption of network or system resources whether intentional or unintentional. This also includes "denial of service" (DoS) attacks against another network host or individual user. Interference with or disruption of other network users, network services or network equipment is prohibited. It is the users's responsibility to ensure that their system is configured, operated, and used in a manner to avoid excessive consumption of network or system resources. It is the users's responsibility to ensure that their system is configured in a secure manner. A user may not, through action or inaction, allow others to use their system for illegal or inappropriate actions. A user may not permit their system, through action or inaction, to be configured in such a way that gives a third party the capability to use their system in an illegal or inappropriate manner.
- **High Volume, Server Hosting, and non-traditional end user activities:** The Services are intended for an end user's periodic active use of email, instant messaging, browsing the World Wide Web, and other typical end user activities. High volume data transfers, especially sustained high volume data transfers, are prohibited. Hosting a web server, IRC server, or any other server is prohibited. Accordingly, maintains the right to terminate any user's connection following the detection of any high volume data transfer, server hosting, or non-traditional end user activity as determined by .

requests that anyone who believes that there is a violation of this AUP direct the information to the property manager.

If available, please provide the following information:

- The IP address used to commit the alleged violation
- The date and time of the alleged violation, including the time zone or offset from GMT
- Evidence of the alleged violation

When reporting an issue regarding unsolicited email please provide a copy of the email messages with full headers which typically provides all of the above data. Other situations will require different methods of providing the necessary information.

may take any one or more of the following actions, or other actions not listed, at 's sole discretion in response to complaints:

- Issue warnings: written or verbal
- Terminate the user's access
- Bill the user for administrative costs and/or reactivation charges
- Bring legal action to enjoin violations and/or to collect damages, if any, caused by violations.

reserves the right to revise, amend, or modify this AUP, and our other policies and agreements at any time and in any manner.

provides public access to the Internet. There are potentially serious security issues with any computer connected to the Internet without the appropriate protection. These security issues range from viruses, worms and other programs that can damage the user's computer to attacks on the computer by unauthorized or unwanted third parties. These parties, known commonly as "hackers" may attempt to penetrate the user's computer and download information from the user's computer. If the user has unprotected files on the computer, these files may be visible to hackers on the Internet, potentially

including parties with criminal intent. Hackers also exploit vulnerabilities in operating systems to cause malicious damage to a user's computer or even a whole company's network, up to and including the destruction or deletion of files or the re-formatting of drives. It is recommended that the user uses either a personal firewall or Virtual Private Network systems to protect this information.            advises the user that he/she should consult a security expert to determine whether there are any potential security holes in their computer's configuration.

SPECIFICALLY DISCLAIMS ANY LIABILITY FOR UNAUTHORIZED THIRD-PARTY SECURITY BREACHES OR THE RESULTS THEREOF.            PROVIDES ACCESS TO THE INTERNET AND THE NETWORK ON AN "AS IS" BASIS WITH ALL RISKS INHERENT IN SUCH ACCESS. BY CONNECTING TO THE            NETWORK, THE USER ACKNOWLEDGES THE RISKS ASSOCIATED WITH PUBLIC ACCESS TO THE INTERNET OR DOCUMENT PRINTING AND HEREBY RELEASES AND INDEMNIFIES            FROM ANY DAMAGES THAT MIGHT OCCUR.

Acknowledgment of Resident:

Signature: \_\_\_\_\_

Dated: \_\_\_\_\_

Printed: \_\_\_\_\_



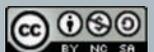
The Internet might seem intimidating at first - a vast global communications network with billions of webpages. But in this lesson, we simplify and explain the basics about the Internet using a conversational non-technical style to make it understandable, useful, and enjoyable. There's no reason to be left out!

# Basic Internet Skills

Microsoft Windows PCs

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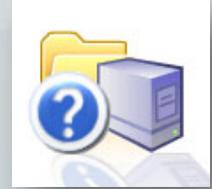
[www.NetLiteracy.org](http://www.NetLiteracy.org)





## What the Internet is:

The Internet, the web, cyberspace, and the 'net are all terms that generally mean the same thing, in this case, we will call it the Internet. The Internet is a **NET**work of computers, all over the world, **INTER**connected to each other and available to any individual. The Internet is used for many different activities including shopping, communicating, learning, and distributing information.



Unfortunately, you cannot open a door to a house and walk outside to “go into the Internet.” Computers are a primary tool you’ll utilize to use the Internet. The Internet is somewhat difficult to describe because you cannot touch it (in a way similar to software). It seems invisible—only computers can see it – and you can see it through a computer. Sometimes the Internet is best described in comparison to a library. The Internet is made up of many individual components, just like a library is made up of many books. The Internet’s components have even more individual parts, just like a book has pages.

## Changing Constantly:

The Internet is a useful source of information about news, sports, and entertainment because it changes along with the minute-by-minute events that occur in the world brings. This might seem confusing. However, it is not

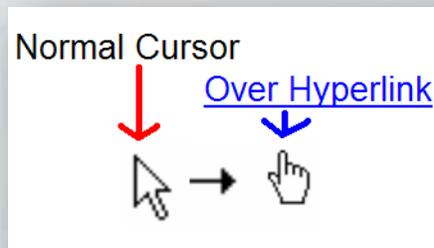


necessarily so—the Internet can be thought of as a “dynamic” living organism that changes and adapts to its environment. The Internet changes very quickly—just watching a 24 hour news channel on the television. The content on some websites is updated every few seconds.

## Purpose / Content of Websites

On the Internet, there are many websites. These are usually made for one specific purpose; they range from informing you about the news to teaching you how to cook.

The best analogy of a website is a comparison to an entire book or an entire newspaper. Websites are made up of “pages,” just like newspapers and books.



Websites are usually independent, however sometimes they are linked together by hyperlinks (also called links) that allow you to jump from one website to another website. These links allow you to “turn the page,” and move around on the Internet. They are usually underlined and **blue**, however they can be any color and or even a picture. How

do you identify a hyperlink? When your mouse hovers over a hyperlink, the arrow changes into a pointing hand.

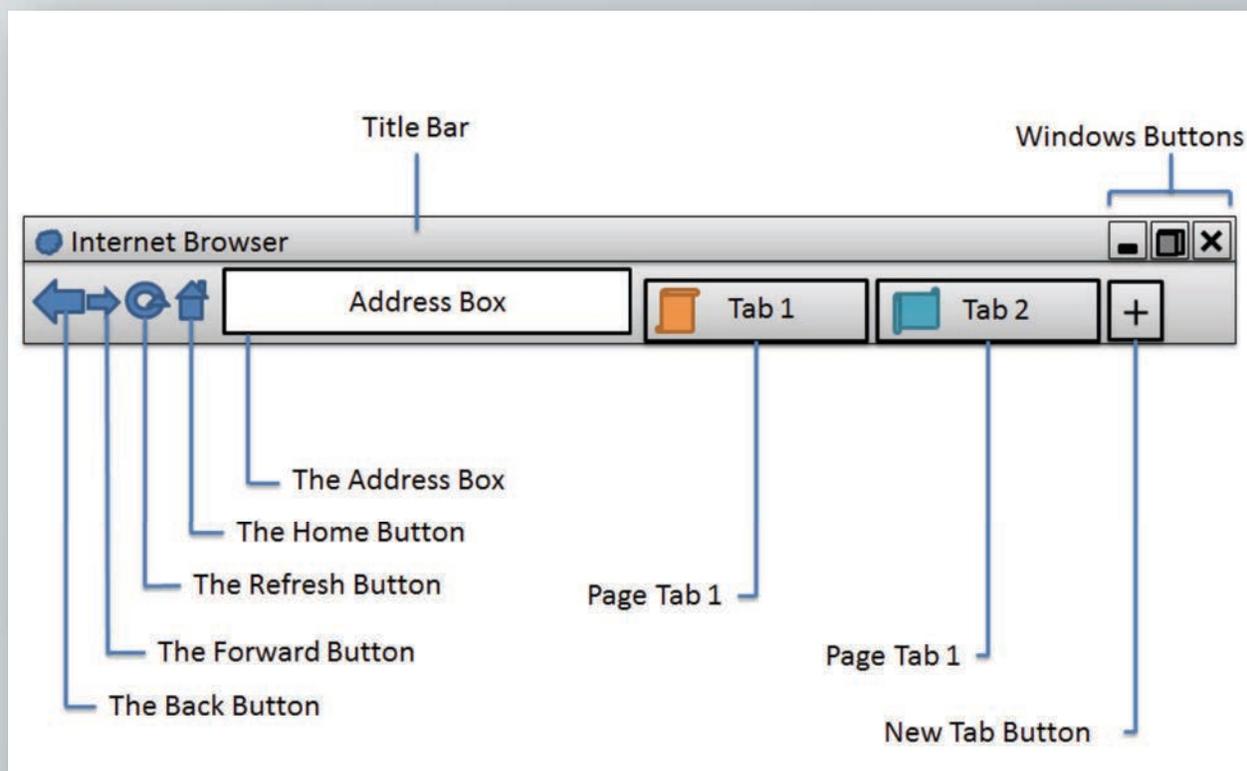
Webpages are what you see and read on the Internet. They are primarily made up of text (words), digital media (pictures, movies, and music), and hyperlinks. The Internet, unlike a book or newspaper, is in no order, and can seem slightly confusing at first. However, there are tools on the Internet that help organize it and will allow you to use it comfortably and easily.





## Applications to Access the Internet

On the computer, you use a program to see the Internet. The program is called a web browser — you “browse” the web with it. Some common brands of web browsers include Internet Explorer, Firefox, and Chrome. They serve the same purpose, navigating the internet, and also have many of the same buttons. For instance, we will take a look at a generic browser’s buttons. You will use these buttons to navigate around the Internet. Sometimes extra buttons might be added, while other times, buttons might have been moved around on the toolbar. If you cannot find a button, just ask someone (they seem to be pretty tricky when they hide from you).



## The Buttons

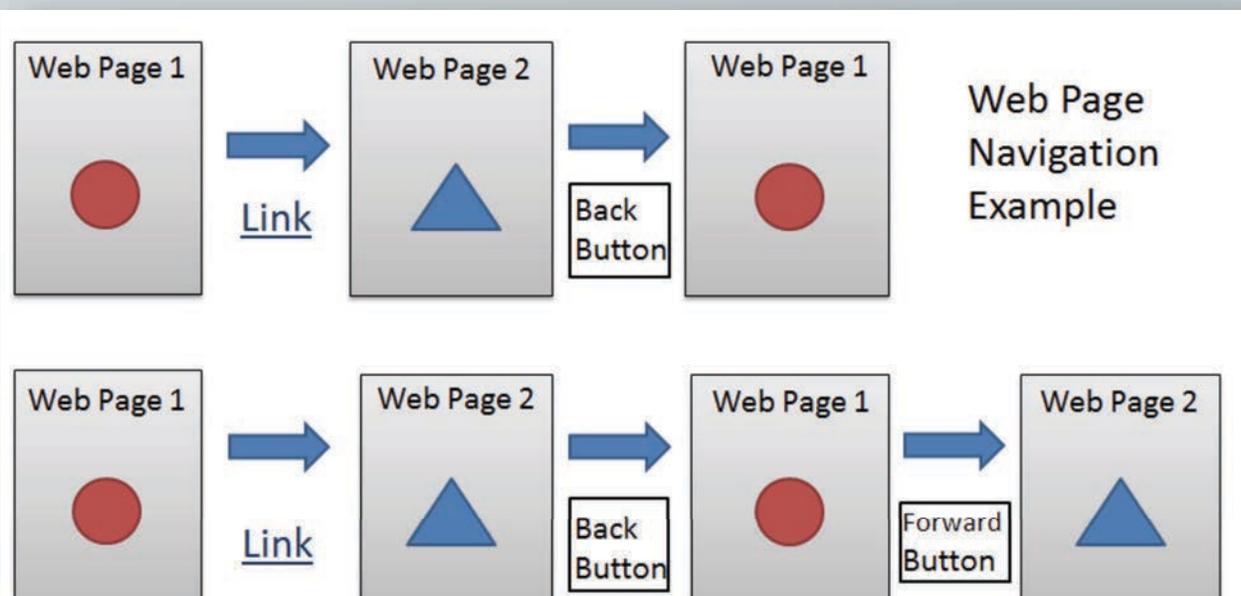
**The Back Button** – This button allows you to return to the last webpage that you last visited. It is most often used if you accidentally click on a link and wish to return to your previous page.

**The Forward Button** – If you clicked the back button, you don't have to hunt for the hyperlink on the webpage to return to the previous webpage. Just click on the forward button to return to the previous page that you were at before you pressed the back button.

Note: If the forward button is "grayed out" and when you click on it, nothing happens, this means that it is disabled.

**The Refresh Button** – This button is useful if you are looking at pages that contain content that is updated more frequently, such as the news, sports scores, or the weather. By clicking on the refresh button, the web page loads again, and is updated with the latest information.

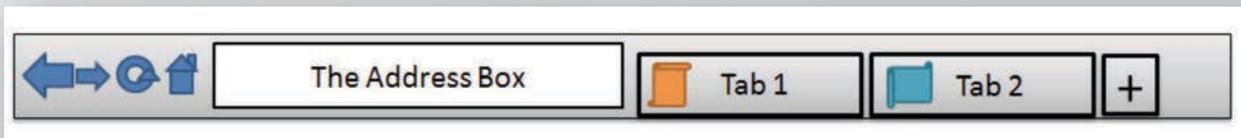
**The Home Button** - When you open your web browser, the first website that is displayed is your **homepage**. You can change your homepage to fit your preferences. When you click on the home button, it takes you to your homepage.





## The Address Box

**The Address Box** – This displays the URL of a webpage. URL stands for Universal Resource Locator, which is a unique address for each webpage – just like your own home’s address is unique. You can type a specific URL into the address box by left clicking in the box once and then typing. Although URLs are all different, they share common characteristics. The basic diagram of a URL is shown below.



# http://www.google.com

**Http://** - Begins most web addresses. Tells the internet browser what protocol to use.

**www**– Stands for “World Wide Web.” Most web addresses have it although it is not necessary. It indicates a web page.

**.(dot)**- Separates parts of the address so it does not all run together and the computer can distinguish the different parts of the address.

**Domain name**– Example: “Google” – A series of numbers, letters or hyphens “-” that identifies the owner of the address.

**“.” (dot)**- See previous Definition

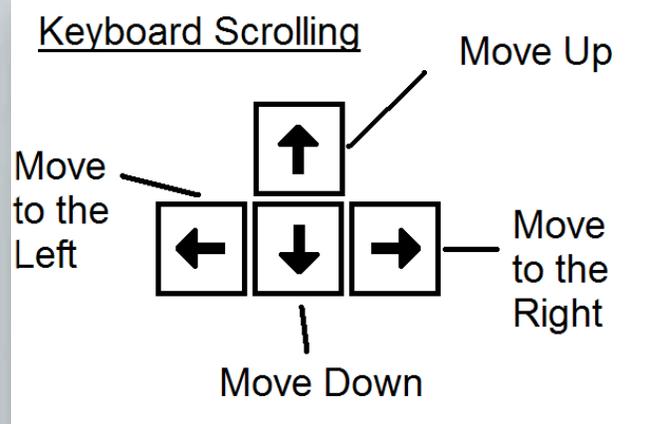
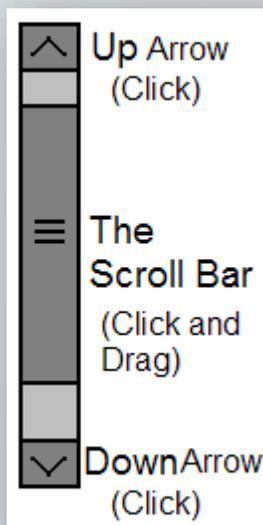
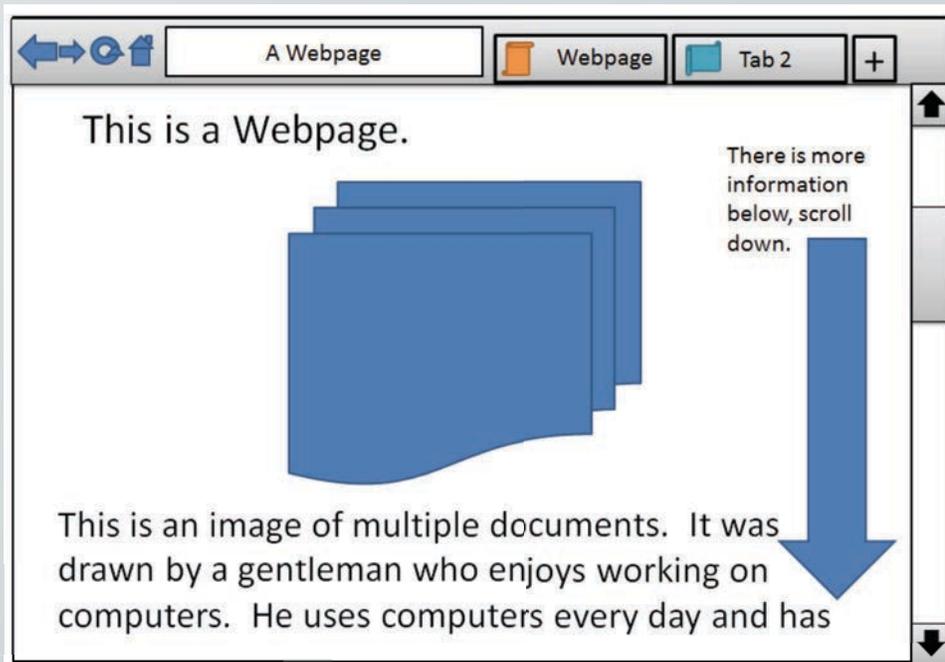
**The Domain**- At the end of a web address. Tells what type of web page you are viewing.  
 .com – Commercial  
 .org – Non-For-Profit Organization  
 .edu – Education (Colleges/Universities)  
 .net – Internet Related  
 .mil – US Military  
 .gov – US Government  
 .us – United States  
 .uk – United Kingdom

Important: Make sure you spell everything correctly. Addresses are very specific and if typed incorrectly, they will direct you to the wrong website. If this happens, simply use your back arrow to return to the previous webpage.



## Scrolling on Webpages

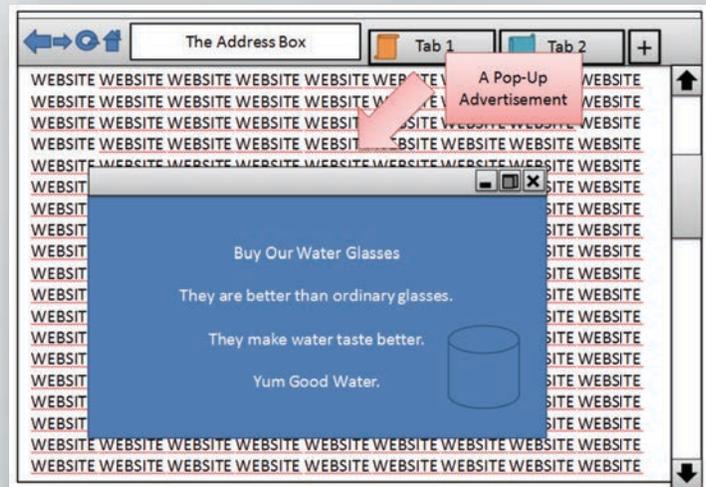
One thing to keep in mind when viewing the Internet is that a bunch of information might be displayed on a webpage, however, only a small portion can be seen immediately when you load the webpage. Thus, it is important to look at your scroll bars to the right and bottom to see if there is more information you are missing. If you are tired of using the mouse to scroll up and down, try using the arrow keys.



## Pop Up Advertisements



On the Internet, there are things that help you and things that can make you aggravated. One aggravation is the **Pop Up Ad**. These advertisements are created by aggressive marketers who want you to see their “amazing” product and buy it. Pop ups create their own window and usually appear on top of the information that you are interested in. If you click on a pop up ad, it will take you away from the information you are looking at. If you see a pop up ad, click the X at the top right of the window to close it.



Another type of advertisement is the **Banner**. Banner ads show up at the top of a website or on the side of a website. As a beginner, it's generally wiser to ignore banner advertisements unless you are familiar with the company.

## Searching the Internet

Because there are so many things on the Internet, it is

frequently hard to locate exactly what you are looking for. Search engines such as Google ([www.google.com](http://www.google.com)) are very helpful and allow you search the Internet.

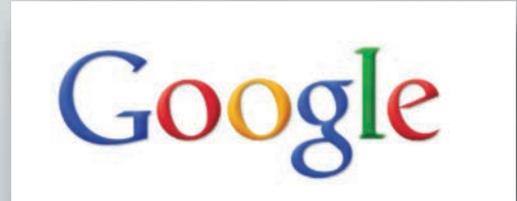
A search engine is a Website used to search for information on the World Wide Web. Google first collects websites using a computer program (called a



wanderer, crawler, robot, worm, or spider). Then Google creates an index of these sites so they are searchable. There are many search engines that are available - we use Google for purposes of instruction because most people use it.

### Performing a search in Google (See Next Page for Picture)

1. Go to Google by typing [www.google.com](http://www.google.com) in the URL address box (see page 5). Google is also one of the fastest search engines and provides some of the best results.
2. Next type your topic or key words (words closely related to your topic) into the box under the Google logo.
3. Press Enter or click "Google Search"
4. The next page that will appear is your search results page. This page lists the first few results from your search. Click on one of the page title that has an interesting description or seems most relevant.
5. If you are not satisfied with that website, click the back button and try a different website. If you still cannot find a good website, try searching by using different terms in the search box at the top of the webpage.



### Google Searching Tips

Google will return pages that include all of your search terms. There is no need to include the word "and" between terms. For example, to look for information about parks in Cincinnati, simply type "Cincinnati parks."

Google is not case sensitive. Typing "United States" is the same as typing "UNITED STATES" or "united states."

The more words you include in your search, the more specific your search will be and the more relevant your search results will be.



## Internet Glossary

**Browser** – A software program that allows Internet documents (like webpages) to be viewed, also called a Web Browser.

**Cyberspace** – The world of computer networks.

**Domain Name** – A unique name that identifies a specific computer on the Internet.

**Download** – A term for transferring software or other files from one computer to another.

**Email** – Electronic Mail – Messages sent from one specific user to another using the Internet.

**Email address** – The way a specific user is identified so that they may receive email. An email address can be identified by the “@” sign. E.g., Support@seniorconnects.org

**Home Page** – The first page of a Website, similar to a table of contents.

**HTML** – HyperText Markup Language- A computer language used to make hypertext documents that are sent via the World Wide Web and viewed using a Browser.

**HTTP** – HyperText Transfer Protocol – The way that hypertext documents are transferred over the Internet.

**Hypertext** – A way of presenting information that allows words, pictures, sounds, and actions to be inter-linked so that you may jump between them however you choose.

**Link** – A word, phrase, or image that allows you to jump to another document on the World Wide Web.

**Search Engine** – A website that indexes and allows searching of information gathered from the Internet. Google is an example of this.

**URL** – Uniform Resource Locator – The entire address for a piece of information of the Internet. E.g., www.google.com

**Webpage** – A hypertext document available on the World Wide Web.

**Website** – A collection of webpages.

**World Wide Web** – A collection of resources available on the Internet using a web browser.

# **Tab X:**

Marketing Plan for units meeting accessibility  
requirements of HUD section 504

Madison Road  
Apartments, LLC  
Orange, Virginia

Low Income Housing Tax Credit Application for Reservation

VHDA Accessibility Requirements for Section 504 of the Rehabilitation Act

Marketing Plan

Madison Road Apartments, LLC is proposing to construct a four-story elevator, garden style building on .747 acres of land owned by Orange County and located in the jurisdiction of the Town of Orange. The new construction will result in a total of 21 one and two bedroom apartments and service space for the Rappahannock Rapidan Community Services Board and will utilize proceeds from the sale of Low Income Housing Tax Credits. This initiative is being undertaken in accordance with the requirements of VHDA's QAP for projects qualifying for the Accessible Supportive Housing set-aside of credits.

A minimum of 5 apartments at the complex are designed to serve persons with physical disabilities. Accordingly, the following will apply:

- (1) Renovation and new construction on such apartments will conform to HUD regulations defining the accessibility requirements of Section 504 of the Rehabilitation Act.
- (2) Marketing for residents to occupy these units will be targeted to people with special needs. These fully accessible apartments will include zero step entrances, open floor plans, roll under sinks and counters, ranges with front controls, wide doors and hallways, and fully accessible bathrooms. All of the building amenities and services will be on accessible pathways.
- (3) People with intellectual and developmental disabilities will be given a first preference for occupancy.
- (4) Unless the unit is rented to a qualified disabled resident, units will be held vacant for a minimum of 60 days during which ongoing marketing efforts are documented and reported to VHDA's program compliance officer before being authorized to rent to non-disabled household.

Contacts will be made to the organizations below in advance of the completion of the rehabilitation project to insure that the apartments are occupied as quickly as possible by the people who need them.

Further, throughout the compliance period, regular contacts will be made with residents of such units to determine if their needs have changed. Contacts will also be made regularly to those local organizations at initial occupancy but also throughout the term of the lease.

- Rappahannock-Rapidan Community Services  
15361 Bradford Road  
Culpeper, Virginia 22701  
Ginger Mcalister, Housing Program Supervisor
- The ARC of North Central Virginia  
Marilyn McCombe, President  
P.O. Box 852  
Bealeton, Virginia 22712
- disability Resource Center  
409 Progress Street  
Fredericksburg, VA 22401

In addition to the above, the property will affirmatively market to the target population as follows:

- Registering Madison Road Apartments and vacancies on VirginiaHousing Search.com
- Registering the Madison Road Apartments and vacancies on accessva.org
- Registering the Madison Road Apartments in the Virginia Housing Directory
- Communicating regularly with the appropriate personnel at the Virginia Department of Behavioral Health and Developmental Services Housing Team regarding vacancies at the property.
- Communicating regularly with the Asset Management staff at VHDA.

Not Applicable

**Tab Y:**

Inducement Resolution for Tax Exempt Bonds

# Not Applicable

## **Tab Z:**

Documentation of team member's Diversity, Equity and  
Inclusion Designation

Not Applicable

**Tab AA:**

Priority Letter from Rural Development

Not Applicable

**TAB AB:**

Social Disadvantage Certification