



**Economic Development Authority of the City of Richmond
Meeting Notice – March 27, 2025**

WHAT: The City of Richmond’s Economic Development Authority will hold its **March Board Meeting.**

WHEN: Thursday, March 27, 2025, at 5:00 P.M.

WHERE: Main Street Station, 1500 East Main Street, 3rd floor Conference Room

CONTACT: Glenna Chung at (804) 646-1507 or Glenna.Chung@rva.gov.

For more information about The City of Richmond’s Economic Development Authority (EDA),
Visit: <http://www.richmondeda.com>

Agenda

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND
BOARD MEETING MARCH 27, 2025 AGENDA**

- I. Call to Order
 - A. Public Meeting Disclosure
- II. Comment (Maximum of Three Minutes Per Person)
- III. Meeting Minutes
 - A. February 27, 2025 Board Meeting Minutes
- IV. February Financial Report
- V. Small Business Recovery Grant Fund Update
- VI. New Business
 - A. Affordable Housing Performance Grants
 - 1. Swansboro Place, LLC
 - 2. Saint Elizabeth Apartments LLC
 - 3. 1903 Semmes LLC
 - 4. 809 Oliver Hill Way LLC
 - B. Loan Request of Maynes & Lee LLC
- VII. Report of the Officers
 - A. Report of the Chairman
 - B. Report of the Secretary
- VIII. Other Business
- IX. Adjournment

Upcoming Meetings

EDA Board Committee Meeting – April 24, 2025

February Board Meeting Minutes

Economic Development Authority (EDA) of the City of Richmond, Virginia
Board Meeting Minutes
Thursday, February 27, 2025

Members present:

Nupa Agarwal, Vice-Chair
Evan Feinman
Jer'Mykeal McCoy
Jéron Crooks
Nathan Hughes

Others present:

Bonnie Ashley – City of Richmond, City Attorney's Office
Patricia Foster – Minority Business Development
Rachel Hightman – Housing & Community Development
Matthew Welch – Department of Economic Development
Katie McConnell – Department of Economic Development
Glenna Chung – Department of Economic Development
Lisa Jones – A. G. Reese & Associates
Erin Sutton – Dinsmore & Shohl
Greg Simmons – Bon Secours Mercy Health
Jonathan Spiers – BizSense

Call to Order:

Ms. Agarwal called the meeting to order at 5:12pm and Ms. Chung started recording.

Public Comments:

No public comments were received via email, phone, or otherwise by staff. Mr. Welch read the public disclaimer.

Approval of Minutes of the Previous Meeting:

Mr. Welch requested the Board to consider a motion to approve the November 21, 2024, Board Meeting Minutes as stated. Mr. Feinman moved to accept the minutes. Mr. Crooks seconded the motion. The motion passed unanimously.

October Through January Financial Reports – Lisa Jones

Mr. Welch requested the Board to consider a motion to approve the October, November, December 2024, and January 2025 financial statements for the Economic Development Authority of the City of Richmond, Virginia. Mr. Hughes moved to accept the financial statements. Mr. Crooks seconded the motion. Mr. McCoy abstained due to arriving late. The motion passed.

New Business:

Affordable Housing Performance Grants – Ms. Rachel Hightman

Ms. Hightman presented two affordable housing projects. (1) 1400 Hull Owner, LLC, located at 1401 Hull Street, 1403 Hull Street, 1405 Hull Street, and 1407 Hull Street, which will include 60 units. (2) 1500 Hull Owner, LLC., located at 1501 Hull Street, 1503 Hull Street, 1505 Hull Street, and 1511 Hull Street, which will include 112 units.

Mr. Welch requested the Board to consider a motion to authorize the Board Chair, or his designee, to execute both (1400 Hull Owner, LLC and 1500 Hull Owner, LLC) of the affordable housing grant agreements, as presented. Mr. McCoy made the motion. Mr. Feinman seconded the motion. The motion passed unanimously.

Resolution Approving Issuance of Revenue Bonds for Bons Secours Mercy Health, Inc. – Ms. Erin Sutton

Mr. Welch requested the Board to adopt the Resolution Approving Issuance of Revenue Bonds for Bon Secours Mercy Health, Inc., as presented. Mr. Feinman made the motion. Ms. Agarwal seconded the motion. The motion passed unanimously.

Policy Regarding Participation In Meetings By Electronic Communication Means – Mr. Matthew Welch

Mr. Welch requested the Board to approve the Policy Regarding Participation in Meeting by Electronic Communication Means for the Economic Development Authority of the City of Richmond, Virginia. Mr. Feinman made the motion. Mr. Crooks seconded the motion. The motion passed unanimously.

MBL Grant (Small Business Recovery Grant Fund) – Ms. Katie McConnell and Ms. Patricia Foster

Ms. McConnell shared that The Metropolitan Business League will administer the Small Business Recovery Grant Fund, which is a program that will provide grants to small businesses significantly impacted by January's water emergency and will be seeded with a total initial investment of \$500,000 provided by the EDA, Dominion Energy, and Altria. Fundraising efforts are ongoing. Applications will be open from March 17th through March 28th.

Mr. Welch requested the Board to authorize the Board Chair, or his designee, to execute a grant contract in a form satisfactory to legal counsel and to the Board Chair or his designee, for the purpose of making a grant of \$250,000 that will be used to provide grants to small businesses impacted by the water system emergency. Mr. McCoy made the motion. Mr. Hughes seconded the motion. The motion passed unanimously.

Report to the Officers:

Report of the Chairman – Ms. Nupa Agarwal

Ms. Agarwal noted that Mr. Molster did not have anything to report.

Report of the Secretary – Mr. Matthew Welch

Mr. Welch shared that the Diamond District progress is on its way. He also announced that City Council

appointed Jared Loiben as the new EDA Board Member. Mr. Welch also mentioned ChamberRVA's InterCity Visit will be April 29-May 1 in Greenville, SC.

Ms. Chung shared that the City of Richmond and the Richmond Economic Development Authority's Third Annual Celebration of Business will take place on April 16th, 4:30-7pm, at Main Street Station.

Other Business:

No other business discussed.

Adjournment:

The meeting adjourned at 6:16pm and Ms. Chung stopped recording.

Respectfully submitted:

Secretary to the meeting

Approved:

John Molster, Chair

EDA February Financial Report

Economic Development Authority-Operations
Balance Sheet Prev Year Comparison
As of February 28, 2025

DRAFT

	Feb 28, 25	Feb 29, 24
ASSETS		
Current Assets		
Checking/Savings		
10200 · FCB #7709 Savings	651,676.48	1,149,165.85
10300 · Towne Bank Savings	50,824.70	50,799.35
10450 · Well Fargo #7155 Checking	2,446,505.65	613,421.29
10500 · Restricted Checking/Savings		
10501.1 · FCB 8605 Facade/Vent	53,600.87	63,518.50
10502 · C&F Bank #3929 Tobacco Rowe	163,066.74	140,390.51
10504 · US Bank Diamond District Bonds		
10504.2 · Diamond District Project	32,292,158.26	0.00
10504.3 · Diamond District-Capitalized In	2,516,677.39	0.00
Total 10504 · US Bank Diamond District Bonds	34,808,835.65	0.00
10505 · Wells Fargo #0731 Grants	594,807.42	565,960.44
10509 · EDA-Hull Street Facade Program	40,603.23	250,094.14
10510 · EDA Small Business Access	1,358,400.71	199,693.47
10511 · Enterprise Zone Program	344,674.11	228,253.39
10512 · Diamond District -Peoples Bank	15.50	0.00
10513 · CARE-WF Checking #8628	818,874.41	0.00
10514 · CARE-WF Money Market #1055	106,494.13	0.00
Total 10500 · Restricted Checking/Savings	38,289,372.77	1,447,910.45
Total Checking/Savings/Investments	41,438,379.60	3,261,296.94
11000 · Accounts Receivable	293,075.00	9,300.00
112000 · Due from City of Richmond	0.00	119,692.23
14000 · Prepaid Expenses	184.32	1,855.52
19001 · CARE Notes Receivable	23,796.09	0.00
Total Current Assets	41,755,435.01	3,392,144.69
Fixed Assets		
15000 · Furniture and Equipment	3,168.47	3,168.47
17000 · Accumulated Depreciation	-1,689.60	-1,056.00
Total Fixed Assets	1,478.87	2,112.47
Other Assets		
17500 · Website		
17500.1 · Accumulated Amortization-Websit	-73,860.00	-29,544.00
17500 · Website - Other	126,895.00	126,895.00
Total 17500 · Website Net	53,035.00	97,351.00
18000 · Investment City Center	13,173,606.89	13,173,606.89
18100 · Investment Diamond District		
18100.1 · Diamond District Infrastructure	1,650,534.79	0.00
18100.2 · Stadium Build in Process	27,197,393.10	0.00
18100 · Investment Diamond District - Other	1,298,124.06	245,578.42
Total 18100 · Investment Diamond District	30,146,051.95	245,578.42
19000 · Leigh St / Westhampton	0.00	-200.00

Economic Development Authority-Operations
Balance Sheet Prev Year Comparison
As of February 28, 2025

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	Feb 28, 25	Feb 29, 24
19100 · Net Invest.-Fin Lease Rec-Curr		
19100.1 · Current-Finance Lease Rec	22,000.00	22,000.00
19100.2 · Current Portion Unearned Int	-12,538.94	-12,841.08
Total 19100 · Net Invest.-Fin Lease Rec-Curr	<u>9,461.06</u>	<u>9,158.92</u>
19500 · Net Investment on Capital Lease		
19500.1 · Finance Lease Receivable	528,000.00	550,000.00
19500.2 · Unearned Int on Finance Lease	-179,360.98	-191,899.92
Total 19500 · Net Investment on Capital Lease	<u>348,639.02</u>	<u>358,100.08</u>
Total Other Assets	<u>43,730,793.92</u>	<u>13,883,595.31</u>
TOTAL ASSETS	<u>85,487,707.80</u>	<u>17,277,852.47</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
27000 · Accounts Payable	8,617.66	11,308.40
20000 · Other Accounts Payable	4,200.00	4,934.72
23100 · Accrued Interest Payable	310,036.61	0.00
27120 · Due to Leigh St fund	1,204,610.00	0.00
Total Current Liabilities	<u>1,527,464.27</u>	<u>16,243.12</u>
Long Term Liabilities		
27300 · Diamond District Bonds		
27310 · Premium on Diamond District Bon	3,089,220.00	0.00
27300 · Diamond District Bonds - Other	33,745,000.00	0.00
Total 27300 · Diamond District Bonds	<u>36,834,220.00</u>	<u>0.00</u>
Total Long Term Liabilities	<u>36,834,220.00</u>	<u>0.00</u>
Total Liabilities	<u>38,361,684.27</u>	<u>16,243.12</u>
Equity		
39002 · Intercompany Transfer	1,328,448.35	500,000.00
39005 · Retained Earnings	18,316,411.11	16,232,102.30
Net Income	27,481,164.07	529,507.05
Total Equity	<u>47,126,023.53</u>	<u>17,261,609.35</u>
TOTAL LIABILITIES & EQUITY	<u>85,487,707.80</u>	<u>17,277,852.47</u>

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Economic Development Authority-Operations
 Profit Loss Budget Performance
 February 2025

	Feb 25	Feb 24	\$ Over PY	YTD 25	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
40800 - Restricted Interest Income	1,358.99	61.66	251.96	7,622.28	1,000.00	6,622.28	1,000.00
41200 - Grants	388,362.00	0.00	388,362.00	2,327,144.82	2,783,062.00	-455,917.18	2,783,062.00
41220 - Grants (non-city)	0.00	0.00	0.00	0.00	194,705.00	-194,705.00	194,705.00
41225 - Grants-Façade Program	0.00	0.00	0.00	0.00	133,333.33	-133,333.33	200,000.00
41312 - Contribution-Stadium Bonds	5,533,889.79	0.00	5,533,889.79	27,197,393.06	0.00	27,197,393.06	0.00
41700 - Administrative Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42000 - Administrative Loan Fee Income	3,000.00	3,000.00	0.00	24,000.00	65,173.33	-41,173.33	97,760.00
42300 - Annual Bond Administrative Fee	0.00	0.00	0.00	0.00	13,333.33	-13,333.33	20,000.00
42400 - Grant Management Fee	0.00	1,000.00	-1,000.00	500.00	0.00	500.00	0.00
42800 - Interest Income	5,078.88	825.87	4,253.01	24,791.84	7,666.67	17,125.17	11,500.00
42900 - Investment Gains (Losses)	101,447.18	0.00	101,447.18	1,008,091.96	0.00	1,008,091.96	0.00
43000 - Parking Lot Rental Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00
43200 - Program Income	118.09	0.00	118.09	1,024.88	1.00	1,023.88	0.00
Total Income	6,033,254.93	4,887.53	6,028,367.40	30,590,568.84	3,198,274.67	27,392,294.17	3,308,027.00
Expense							
60100 - Grants-Econ Dev Incentives	388,362.00	0.00	388,362.00	1,154,767.03	892,708.00	262,059.03	1,339,062.00
60115 - Grants Triple A	0.00	0.00	0.00	349,720.00	129,803.33	219,916.67	194,705.00
60199 - Grant Repayment to Grantors	0.00	0.00	0.00	160,000.00	0.00	160,000.00	0.00
60200 - Grants-Façade Program	30,000.00	0.00	30,000.00	33,952.51	133,333.33	-99,380.82	200,000.00
60400 - Bank Service Charges	60.00	35.00	25.00	375.02	1,333.33	-958.31	2,000.00
60500 - Grants-Enterprise Zone	0.00	25,498.91	-25,498.91	103,674.56	245,333.33	-141,658.77	366,000.00
60700 - Grants-Affordable Housing	0.00	0.00	0.00	0.00	384,000.00	-384,000.00	576,000.00
60800 - CARE Rebates/Expenses	14,446.08	0.00	14,446.08	165,280.89	0.00	165,280.89	0.00
61700 - Computer & Internet Expenses	140.50	0.00	140.50	894.75	1,333.33	-438.58	2,000.00
61400 - Catering	0.00	0.00	0.00	1,336.56	0.00	1,336.56	0.00
62400 - Depreciation	52.80	52.80	0.00	422.40	422.67	-0.27	694.00
6250 - Due & Memberships	2,430.00	3,895.00	-1,465.00	8,685.00	21,333.33	-12,648.33	32,000.00
62550 - Accounting Services	3,500.00	3,000.00	500.00	31,000.00	38,000.00	-7,000.00	57,000.00
62552 - Audit Services	0.00	0.00	0.00	38,569.00	28,000.00	10,569.00	42,000.00
63300 - Insurance Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
63300.1 - Board Insurance	0.00	206.16	-206.16	2,606.00	1,666.67	939.33	2,500.00
63300.2 - Insurance-Other	0.00	429.33	-429.33	0.00	5,133.33	-5,133.33	7,700.00
63300.3 - Insurance-Coliseum lots	0.00	0.00	0.00	2,468.70	7,166.67	-4,697.97	10,750.00
Total 63300 - Insurance Expense	0.00	635.49	-635.49	5,074.70	13,966.67	-8,891.97	20,950.00
64100 - Interest Expense	125,671.00	0.00	125,671.00	1,005,368.00	0.00	1,005,368.00	0.00
64200 - Marketing							
64200.1 - Web Hosting	1,299.00	1,299.00	0.00	10,392.00	16,666.67	-6,274.67	25,000.00
64200.2 - Website Amortization	3,693.00	3,693.00	0.00	29,544.00	29,544.00	0.00	44,316.00
64200 - Marketing - Other	0.00	0.00	0.00	6,626.60	10,000.00	-3,373.40	15,000.00
Total 64200 - Marketing	4,992.00	4,992.00	0.00	46,562.60	56,210.67	-9,648.07	84,316.00
64300 - Meals and Entertainment	0.00	0.00	0.00	0.00	10,000.00	-10,000.00	15,000.00
64400 - Miscellaneous Expense	0.00	0.00	0.00	0.00	1,000.00	-1,000.00	1,500.00
64900 - Office Supplies	197.61	0.00	197.61	197.61	333.33	-135.72	500.00
66700 - Professional Fees	0.00	0.00	0.00	6,666.67	6,666.67	0.00	10,000.00
67800.7 - Workmans Comp Insurance	0.00	58.66	-58.66	762.00	666.67	95.33	1,000.00
68400 - Meetings expense	0.00	0.00	0.00	1,383.28	6,666.67	-5,283.39	10,000.00
68500 - Travel	0.00	203.20	-203.20	0.00	1,333.33	-1,333.33	2,000.00
68600 - Utilities	0.00	0.00	0.00	1,026.86	666.67	360.19	1,000.00
68600.1 - Internet Service	44.00	44.00	0.00	352.00	333.33	18.67	500.00
Total Expense	569,895.99	38,415.06	531,480.93	3,109,404.77	1,973,444.67	1,135,960.10	2,960,167.00
Net Ordinary Income	-5,463,358.94	-33,527.53	5,496,886.47	27,481,164.07	1,224,830.00	26,256,334.07	347,860.00
Net Income	5,463,358.94	-33,527.53	5,496,886.47	27,481,164.07	1,224,830.00	26,256,334.07	347,860.00

EDA City of Richmond-Stone Brewery
Balance Sheet Prev Year Comparison
As of February 28, 2025

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	<u>Feb 28, 25</u>	<u>Feb 29, 24</u>
ASSETS		
Current Assets		
Checking/Savings		
10100 · Wells Fargo #2828	3,186,187.72	2,728,837.94
11000 · Accounts Receivable	17,000.19	17,000.19
14000 · Prepaid Expenses	<u>1,968.45</u>	<u>781.21</u>
Total Current Assets	<u>3,205,156.36</u>	<u>2,746,619.34</u>
Fixed Assets		
15603 · Building Improvements	83,625.00	83,625.00
16900 · Land	621,644.51	621,644.51
17000 · Accumulated Depreciation	<u>-5,748.93</u>	<u>-3,658.41</u>
Total Fixed Assets	<u>699,520.58</u>	<u>701,611.10</u>
Other Assets		
19000 · Net Invest-Cap Lease Rec-Curret		
19000.1 · Current-Capital Lease Receivabl	435,066.57	580,088.76
19000.2 · Current Portion Unearned int	<u>-363,234.28</u>	<u>-281,619.31</u>
Total 19000 · Net Invest-Cap Lease Rec-Curret	<u>71,832.29</u>	<u>298,469.45</u>
19500 · Net Investment on Capital Lease		
19500.1 · Capital Lease Receivable	27,844,260.69	29,584,526.97
19500.2 · Unearned Int on Capital Lease	<u>-10,075,521.07</u>	<u>-11,178,170.48</u>
Total 19500 · Net Investment on Capital Lease	<u>17,768,739.62</u>	<u>18,406,356.49</u>
Total Other Assets	<u>17,840,571.91</u>	<u>18,704,825.94</u>
TOTAL ASSETS	<u><u>21,745,248.85</u></u>	<u><u>22,153,056.38</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
23100 · Accrued Interest Payable	165,483.72	171,076.77
25000 · Current Portion of Rec. Grant	<u>775,000.00</u>	<u>750,000.00</u>
Total Current Liabilities	<u>940,483.72</u>	<u>921,076.77</u>
Long Term Liabilities		
27200.1 · Recoverable Grant Payable	<u>16,860,000.00</u>	<u>17,635,000.00</u>
Total Long Term Liabilities	<u>16,860,000.00</u>	<u>17,635,000.00</u>
Total Liabilities	<u>17,800,483.72</u>	<u>18,556,076.77</u>
Equity		
32000 · Retained Earnings	3,656,168.62	3,786,883.62
39002 · Intercompany Transfer	0.00	-500,000.00
Net Income	<u>288,596.51</u>	<u>310,095.99</u>
Total Equity	<u>3,944,765.13</u>	<u>3,596,979.61</u>
TOTAL LIABILITIES & EQUITY	<u><u>21,745,248.85</u></u>	<u><u>22,153,056.38</u></u>

EDA City of Richmond-Stone Brewery
Profit & Loss Budget Performance
February 2025

	Feb 25	Feb 24	YTD 25	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense						
Income						
42800 · Interest Income	1,477.03	2,494.92	14,358.62	10,000.00	4,358.62	15,000.00
43000 · Interest on Capital Lease	91,490.87	94,388.45	739,414.74	760,137.45	-20,722.71	1,140,206.17
Total Income	92,967.90	96,883.37	753,773.36	770,137.45	-16,364.09	1,155,206.17
Expense						
62400 · Depreciation Expense	174.21	174.21	1,393.69	1,393.68	0.01	2,090.52
63300 · Insurance Expense	816.58	389.08	6,532.64	4,666.67	1,865.97	7,000.00
63500 · Bank Fees	0.00	0.00	0.00	66.67	-66.67	100.00
66100 · Interest Expense-Bond	55,161.24	57,025.60	441,289.80	458,808.33	-17,518.53	688,212.50
66700 · Professional Fees	0.00	0.00	0.00	13,333.33	-13,333.33	20,000.00
67200 · Repairs and Maintenance	0.00	0.00	0.00	20,000.00	-20,000.00	30,000.00
67500 · Roof Expense	0.00	0.00	15,960.73	20,000.00	-4,039.27	30,000.00
Total Expense	56,152.03	57,588.89	465,176.86	518,268.68	-53,091.82	777,403.02
Net Ordinary Income	36,815.87	39,294.48	288,596.50	251,868.77	36,727.74	377,803.15
Other Income/Expense						
Other Income						
70200 · Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	0.00	0.00	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00	0.00	0.00
Net Income	36,815.87	39,294.48	288,596.50	251,868.77	36,727.74	377,803.15

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ECONOMIC DEVELOPMENT AUTHORITY-LEIGH ST OPERATING ACCT
Balance Sheet Prev Year Comparison
As of February 28, 2025

	Feb 28, 25	Feb 29, 24
ASSETS		
Current Assets		
Checking/Savings		
Truist #5122		
10200 · Operating Funds	437,948.61	257,896.62
10200.1 · Reserve Funds	148,104.15	135,040.52
10200.2 · Westhampton Funds	38,834.55	33,834.55
Total Truist #5122	<u>624,887.31</u>	<u>426,771.69</u>
Total Checking/Savings	624,887.31	426,771.69
11000 · Accounts Receivable	37,903.61	40,133.61
11401 · Other Receivable	1,204,610.00	0.00
14000 · Prepaid Expenses	0.00	14,650.00
Total Current Assets	<u>1,867,400.92</u>	<u>481,555.30</u>
Fixed Assets		
15000 · Furniture and Fixtures	0.00	49,999.59
15100 · Equipment	0.00	95,357.04
15300 · Other Depreciable Property	0.00	94,788.00
15350 · Improvement- Training Fields	18,515.00	74,434.50
15500 · Building Improvements	0.00	10,779,715.64
15501 · Construction in Progress	20,240.00	20,240.00
15550 · Building Improvements-2nd Floor	0.00	1,330,696.31
15600 · Building-Westhampton	3,135,228.00	3,135,228.00
16900 · Land-Westhampton	848,578.00	848,578.00
16990 · Leased finance assets		
16990.1 · Leased finance asset--Museum	0.00	1,505,819.00
16990.2 · Accumulated amortization	0.00	-77,971.00
Total 16990 · Leased finance assets	<u>0.00</u>	<u>1,427,848.00</u>
17000 · Accumulated Depreciation	-2,005.79	-139,932.74
17300 · Accum Depr-Other	-925.74	-71,964.44
17500 · Accum Depr- Building	-3,135,228.00	-3,135,228.00
17600 · Accum Depr-Building Improvement	0.00	-3,114,708.53
Total Fixed Assets	<u>884,401.47</u>	<u>11,395,051.37</u>
Other Assets		
19000 · Net Invest Lease Rec-Current		
19000.1 · Current Lease Rec-Training Cent	0.00	77.14
Total 19000 · Net Invest Lease Rec-Current	<u>0.00</u>	<u>77.14</u>
Total Other Assets	<u>0.00</u>	<u>77.14</u>
TOTAL ASSETS	<u><u>2,751,802.39</u></u>	<u><u>11,876,683.81</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 · Accounts Payable	2,561.00	25,664.36

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Balance Sheet Prev Year Comparison

As of February 28, 2025

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	Feb 28, 25	Feb 29, 24
23100 · Interest Payable	0.00	37,765.01
24800 · Deferred Revenue	1,664.32	1,250.33
25000 · Maintenance Reserve-Westhampton	148,104.15	135,040.52
Total Current Liabilities	152,329.47	199,720.22
Long Term Liabilities		
27100 · Recoverable Grant-City of Rich	0.00	6,000,000.00
27500 · LT Lease Liability		
27500.1 · LT Lease Liability-Museum	0.00	1,469,283.00
Total 27500 · LT Lease Liability	0.00	1,469,283.00
Total Long Term Liabilities	0.00	7,469,283.00
Total Liabilities	152,329.47	7,669,003.22
Equity		
30001 · Deferred Inflow of Resources-Le	0.00	-54,294.96
39005 · Net Position	5,426,682.58	4,207,203.09
Net Income	-2,827,209.66	54,772.46
Total Equity	2,599,472.92	4,207,680.59
TOTAL LIABILITIES & EQUITY	2,751,802.39	11,876,683.81

**ECONOMIC DEVELOPMENT AUTHORITY-LEIGH ST OPERATING ACCT
Profit & Loss Budget Performance
February 2025**

DRAFT

	Feb 25	Feb 24	YTD 25	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense						
Income						
40000 · Event Income	0.00	0.00	23,615.00	40,000.00	-16,385.00	10,000.00
41500 · Advertising & Other Income	0.00	0.00	6,400.00	0.00	6,400.00	0.00
41600.1 · Building Rent-1st Floor	0.00	25,484.41	27,051.16	100,384.00	-73,332.84	25,096.00
41600.2 · Building Rent-2nd Floor	0.00	13,448.00	26,896.00	149,286.64	-122,390.64	37,321.66
41600.3 · 1st Floor Ground Rent	0.00	1,767.00	3,534.00	0.00	3,534.00	0.00
41600.4 · 2nd Floor Ground Rent	0.00	563.00	1,126.00	0.00	1,126.00	0.00
41600.5 · 1st Floor CAM	0.00	16,625.00	33,250.00	0.00	33,250.00	0.00
41600.6 · 2nd Floor CAM	0.00	7,695.00	15,390.00	0.00	15,390.00	0.00
41650 · Rental Income-Westhampton	416.63	416.63	3,335.68	20,000.00	-16,664.32	5,000.00
41660 · Westhampton Maintenance Res	1,087.87	282.66	8,691.65	10,000.00	-1,308.35	15,000.00
Total Income	1,504.50	66,281.70	149,289.49	319,670.64	-170,381.15	92,417.66
Expense						
60100 · Amortization Expense	0.00	2,436.60	4,873.20	19,496.00	-14,622.80	4,874.00
60500 · Staffing	0.00	0.00	0.00	0.00	0.00	0.00
60510 · Payroll Expenses	0.00	0.00	0.00	0.00	0.00	0.00
61000 · General and Administrative	0.00	575.00	0.00	0.00	0.00	0.00
61500 · Security Service	0.00	180.00	740.00	6,000.00	-5,260.00	1,500.00
63400 · Interest Exp-lease	0.00	4,099.31	8,199.14	32,760.00	-24,560.86	8,190.00
63500 · Bank Service Charges	39.00	48.00	275.85	600.00	-324.15	150.00
63700 · Landscaping and Groundskeeping	1,350.00	250.00	8,000.00	10,000.00	-2,000.00	15,000.00
66500 · Telephone Expense	0.00	164.32	326.79	1,400.00	-1,073.21	350.00
66670 · Insurance Expense	0.00	1,129.00	2,353.00	13,600.00	-11,247.00	3,400.00
66700 · Professional Fees	0.00	1,530.00	1,620.00	16,000.00	-14,380.00	4,000.00
67100 · Ground Rent Expense	0.00	0.00	0.00	0.00	0.00	0.00
67700 · Real estate taxes	0.00	0.00	0.00	0.00	0.00	0.00
68400 · Grounds Maintenance	0.00	0.00	20,561.27	32,000.00	-11,438.73	8,000.00
68500 · Maintenance Expense	0.00	1,317.15	3,100.28	24,000.00	-20,899.72	6,000.00
68510 · Janitorial Service Supplies	0.00	-200.00	8,465.72	14,000.00	-5,534.28	3,500.00
69000 · Base Management Expense	0.00	0.00	0.00	8,000.00	-8,000.00	2,000.00
69001 · Incentive Management Fee	0.00	0.00	0.00	0.00	0.00	0.00
69500 · Operations	0.00	389.69	1,620.00	16,000.00	-14,380.00	4,000.00
78000 · Utilities	112.47	27,252.39	36,962.56	84,000.00	-47,037.44	21,000.00
Total Expense	1,501.47	39,171.46	97,097.81	277,856.00	-180,758.19	81,964.00
Net Ordinary Income	3.03	27,110.24	52,191.68	41,814.64	10,377.04	10,453.66
Other Income/Expense						
Other Income						
48000-Gain loss transfer assets	0.00	0.00	-2,825,273.58	0.00	0.00	0.00
42800 · Interest Income-Cking	5.09	3.25	45.52	112.16	-66.64	28.04
Total Other Income	5.09	3.25	-2,825,228.06	112.16	-66.64	28.04
Other Expense						
72500 · Depreciation Expense	154.29	27,378.97	54,173.28	0.00	54,173.28	0.00
Total Other Expense	154.29	27,378.97	54,173.28	0.00	54,173.28	0.00
Net Other Income	-149.20	-27,375.72	-2,879,401.34	112.16	-2,879,513.50	28.04
Net Income	-146.17	-265.48	-2,827,209.66	41,926.80	-2,869,136.46	10,481.70

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND**
(A Component Unit of the City of Richmond, Virginia)

Statement of Net Position
Enterprise Funds
February 28, 2025

DRAFT

	EZIL	CAP	CRLF	EDHIF	OPERATIONS	TOTAL
ASSETS						
Peoples Bank		758,149.68	483,553.34		39,718.71	1,281,421.73
Wells Fargo Checking						-
Wells Fargo Money Market						-
Community Capital Bank		184,599.25				184,599.25
Atlantic Union Bank	245,130.30					245,130.30
Community Capital Bank GLFIA				472,736.88		472,736.88
Peoples Bank LRA				2,061,511.09		2,061,511.09
Peoples Bank GLFIA				1,035,355.32		1,035,355.32
Peoples Bank GLFIA-2				359,841.79		359,841.79
Total Cash	245,130.30	758,149.68	668,152.59	3,929,445.08	39,718.71	5,640,596.36
Prepaid/Accounts Receivable	-	-	-	-	4,200.00	4,200.00
Total Current Assets	245,130.30	758,149.68	668,152.59	3,929,445.08	43,918.71	5,644,796.36
Long Term Assets						
Note/Grant Receivable	-	82,797.34	844,614.00	7,414,313.28		8,341,724.62
Unused LOC						-
Accrued Interest Receivable	-	65,465.08	155,985.73	1,907,186.78		2,128,637.59
Loan Loss Reserve	-	(38,854.05)	(312,731.46)	(159,898.36)		(511,483.87)
Total Long Term Assets	-	109,408.37	687,868.27	9,161,601.70	-	9,958,878.34
Total Assets	245,130.30	867,558.05	1,356,020.86	13,091,046.78	43,918.71	15,603,674.70
Accounts Payable	-	6,000.00	9,600.00	-	400.00	16,000.00
Due to City of Richmond	-				40,048.93	40,048.93
Total Liabilities	-	6,000.00	9,600.00	-	40,448.93	56,048.93
Net Position	245,130.30	861,558.05	1,346,420.86	13,091,046.78	3,469.78	15,547,625.77
Total Liabilities & Net Position	245,130.30	867,558.05	1,356,020.86	13,091,046.78	43,918.71	15,603,674.70

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND, VIRGINIA**

(A Component Unit of the City of Richmond, Virginia)

Statement of Revenues, Expenses and Changes in Net Position

For the Eight Months Ending February 28, 2025

	EZIL	CAP	CRLF	EDHLF	OPERATIONS	TOTAL
Operating Revenues						
Program Income-Interest		5,759.34	32,501.44	231,400.45		269,661.23
Loan origination fee						-
Application fees			900.26			900.26
Loan Document Fees						-
Capital Contributions						-
Late fees , etc.						-
Total Revenues	-	5,759.34	33,401.70	231,400.45	-	270,561.49
Expenses						
Bank Charges/Late Fees						-
Loan Fund Grants						-
Loan Fund Expenses						-
ECDFSG Administration						-
Marketing						-
Training/Seminars/Conference						-
Loan loss reserve						-
EDA Administration		6,000.00	9,600.00			15,600.00
Total Expenses	-	6,000.00	9,600.00			15,600.00
Net Increase (Decrease) From Operations	-	(240.66)	23,801.70	231,400.45	-	254,961.49
Other Income & Expenses						
Bank Interest Earned	406.76	5,115.07	5,034.01	29,565.64	262.90	40,384.38
Recoveries						-
Total Other Income & Expenses	406.76	5,115.07	5,034.01	29,565.64	262.90	40,384.38
Net Increase (Decrease) in Funds	406.76	4,874.41	28,835.71	260,966.09	262.90	295,345.87
Net Position, Beg of Year	244,723.54	856,683.64	1,317,585.15	12,830,080.69	3,206.88	15,252,279.90
Net Position, End of Period	245,130.30	861,558.05	1,346,420.86	13,091,046.78	3,469.78	15,547,625.77

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Small Business Recovery Grant Fund Update

Affordable Housing Performance Grants

INTRODUCED: February 10, 2025

AN ORDINANCE No. 2025-030

To amend Ord. No. 2024-193, adopted Jul. 22, 2024, which authorized the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Agreement between the City of Richmond, Swansboro Place, LLC, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable housing development located at 2008 Hull Street, for the purpose of modifying the location of the affordable housing development to include 2021 Decatur Street. (8th District)

Patron – Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: FEB 24 2025 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

I. That Ordinance No. 2024-193, adopted July 22, 2024, be and is hereby amended and reordained as follows:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Grant Agreement between the City of Richmond, Swansboro Place, LLC, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable housing development located at 2008

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: MAR 24 2025 REJECTED: _____ STRICKEN: _____

Hull Street and 2021 Decatur Street. The Grant Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

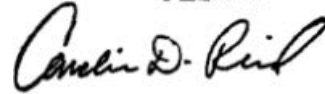
§ 2. This ordinance shall be in force and effect upon adoption.

II. This amendatory ordinance shall be in force and effect upon adoption.

APPROVED AS TO FORM:

CITY ATTORNEY'S OFFICE

**A TRUE COPY:
TESTE:**



City Clerk



City of Richmond

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

Master

File Number: Admin-2025-0063

File ID: Admin-2025-0063

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Attorney

Department:

File Created: 01/21/2025

Subject: Performance Grant Amendment for Swansboro Place, LLC

Final Action:

Title:

Internal Notes: Approval of a Performance Grant for an Affordable Housing Development Project-Amending Ordinance #2024-193 for 2008 Hull Street

Agenda Date: 02/10/2025

Patron(s):

Enactment Date:

Attachments: Admin-2025-0063 SwansboroPlace AHPG ORD - Amending Ord. 2024-193 AATF and signed, Admin-2025-0063 Ord. No. 2024-193 Original ordinance for Swansboro Place LLC, Admin-2025-0063 SwansboroPlace - AHPG Agreement Amended - FINAL AATF and signed corrected

Enactment Number:

Contact:

Introduction Date:

Drafter: Michelle.Peters@rva.gov

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	1/23/2025	Merrick Malone	Approve	1/24/2025
1	2	1/23/2025	Matt Welch	Approve	1/27/2025
1	4	1/27/2025	Sharon Ebert	Approve	1/27/2025
1	5	1/27/2025	Meghan Brown	Approve	1/29/2025
1	6	1/28/2025	Sheila White	Approve	1/29/2025
1	9	1/29/2025	Jeff Gray	Approve	1/30/2025
1	10	1/30/2025	Sabrina Joy-Hogg	Approve	1/31/2025
1	11	2/3/2025	Mayor Avula	Approve	2/10/2025

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File Admin-2025-0063

City of Richmond

Intracity Correspondence

O&R Request

DATE: January 29, 2025

TO: The Honorable Members of City Council

THROUGH: The Honorable Danny Avula, Mayor

THROUGH: Sabrina Joy-Hogg, Interim Chief Administrative Officer

THROUGH: Sheila White, Director of Finance

THROUGH: Meghan Brown, Director of Budget and Strategic Planning

THROUGH: Sharon L. Ebert, DCAO - Planning & Economic Development Portfolio

THROUGH: Matthew Welch, Acting Director of Economic Development

FROM: Merrick Malone, Director of Housing and Community

RE: Amending Approved Performance Grant for an Affordable Housing Development Project

ORD. OR RES. No.

PURPOSE: To amend Ordinance 2024-193 authorizing the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Agreement between the City of Richmond Swansboro Place, LLC, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable residential development located at 2008 Hull Street to include 2021 Decatur Street as combined with 2008 Hull Street following the closure of the dividing alley, per Ordinance 2024-258.

And to authorize the Chief Administrative Officer (“CAO”) to execute, for and on behalf of the City of Richmond (“City”), the Grant Agreements attached hereto by and between the City, the Economic Development Authority (“EDA”), and the following recipient:

- Swansboro Place, LLC

REASON: Council approval is necessary to amend and authorize the City’s execution of the Grant Agreement.

RECOMMENDATION: The City Administration recommends approval.

BACKGROUND: In 2022, the Virginia General Assembly approved HB1194, which amended Ch. 49, Title 15.2 of the Code of Virginia for the purpose of authorizing industrial/economic development authorities “to make grants associated with the construction of affordable housing in order to promote safe and affordable housing in the Commonwealth.”

These Grant Agreements will induce the Recipients to construct and operate development projects (the “Project”) that will result in significant investment and economic development on the sites located at the identified addresses in **Attachment A** and will promote safe and affordable housing in the City, and result in substantial benefits to the welfare of the City and its inhabitants, as well as is in the public interest, and serves governmental interests:

Grant payments will be solely limited to incremental real estate tax revenues generated by the Project and received by the City and such payments will be conditioned upon the Recipients’ completion of Project construction and continued maintenance thereafter. To qualify for grant payments, the Projects each must include at least the number of residential units that restrict occupancy and rents to identified AMIs, according to standards promulgated by the State Housing Finance Agency (i.e., Virginia Housing), for a minimum of thirty (30) years. See **Attachment A**.

FISCAL IMPACT / COST: The one-year fiscal impact is estimated based on the projected construction costs as a proxy for the assessed value of the property at the time of the commencement of the Grant Period. The current assessed value, prior to the commencement of the Grant Period, does not account for the development of new real estate and thus under-values the true assessed value of the property at the time of commencement of the Grant Period. The true baseline for incremental tax revenues will be determined at the time of commencement of the Grant Period.

The real estate tax revenue today, based on 2025 assessed value, would be \$11,136.00 and the estimated real estate tax revenue at the time of commencement of the Grant Period would be \$207,203.12. As such the increase from the Effective Date to the first year of the Grant Period, based on the percentage of performance grant awarded, would be \$158,814.37. This is not the incremental increase that is to be paid to the grant Recipient for each year of the Grant Period. The Incremental Real Estate Tax Revenue upon commencement of the Grant Period can only be accurately determined from the true assessment value of the property at the time of the commencement of the Grant Period. Based on recent trends, it is assumed that property value assessments in the City of Richmond will continue to increase in the coming years. However, the future rate of increase is unknown at this time. This estimate was calculated at the real estate tax rate of \$1.20 per \$100 of assessed value and does not account for Special Assessment District rates.

The approval of this performance grant will allow the City to meet one of its primary affordable housing goals, to produce new affordable housing units that are critically needed as evidenced by the City’s declaration of a “housing crisis”. There are no direct fiscal implications as the grant payments are solely limited to incremental tax revenues above and beyond the identified baselines of current real estate tax revenues received by the City for such baselines for each of the projects.

REQUESTED INTRODUCTION DATE: February 10, 2025

CITY COUNCIL PUBLIC HEARING DATE: February 24, 2025

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A

AFFECTED AGENCIES: Housing & Community Development, Economic Development, Finance, Budget, City Attorney’s Office

RELATIONSHIP TO EXISTING ORD. OR RES.: 2024-193

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: Grant Agreement for the proposed recipient; Ordinance#2024-193

STAFF: Matthew Welch, Acting Director of Economic Development; Merrick Malone, Director of Housing and Community

Attachment A

GRANT AGREEMENT

This **GRANT AGREEMENT** (the “Agreement”) is made and entered this ____ day of _____, 2025 (the “Effective Date”), by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the “City”), **SWANSBORO PLACE, LLC**, a Virginia Corporation, or its assigns or successors (the “Recipient”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND**, a political subdivision of the Commonwealth of Virginia (the “Authority”).

RECITALS

- A. The Recipient plans to develop and operate on the Site, as defined below, the Project, as defined below.
- B. The City and the Authority have determined that the Project will result in significant investment and economic development on the Site, will promote safe and affordable housing in the City of Richmond, will result in substantial benefits to the welfare of the City and its inhabitants, is in the public interest, and serves governmental interests.
- C. The City plans to fund an economic development monetary grant (the “Grant”) by the Authority to the Recipient for the purpose of inducing the Recipient to construct and operate the Project in the City of Richmond.
- D. Payment of the Grant will be conditioned upon the Recipient’s completion of Project construction and continued maintenance of the Project, as defined herein, and the funds comprising payments of the Grant will be solely limited to a portion of the incremental real estate tax revenues for the Site generated by the Project (i.e., including both the fee interest (and leasehold interest, if applicable) in the land and all improvements), all as set forth herein.
- E. The City is authorized by Section 15.2-953 of the Code of Virginia and other laws, and the Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia and other laws to perform the activities contemplated in this Agreement. The Authority is authorized by the Code of Virginia to make grants to non-public organizations such as Recipient in furtherance of the purpose of promoting economic development and affordable housing.
- F. This Agreement sets forth the understanding of the parties concerning the Recipient’s obligations, the Authority’s obligations, and the incentives offered by the City, subject to the approval of the Authority’s Board and the Richmond City Council and subject to appropriations.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises, and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

Section 1. Preliminary Provisions

1.1 Incorporation of Recitals. The foregoing recitals are incorporated herein by reference.

1.2 Definitions. For the purposes of this Agreement, the following terms shall have the following definitions:

“AMI” means area median gross income for the Richmond-Petersburg Metropolitan Statistical Area for each applicable year of the Grant Period.

“Base Real Estate Tax Revenue” means \$11,136 per year, being the amount equal to the real estate taxes levied on the Site for the current tax year as of the Effective Date.

“Grant” means a grant to be paid to the Recipient, or its successors or assigns, by the Authority pursuant to this Agreement.

“Grant Payment” means, for each real estate tax year during the Grant Period, an amount equal to one-hundred percent (100%) of the Incremental Real Estate Tax Revenue for such corresponding tax year. The Parties acknowledge that the annual real estate tax levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Grant Payment” shall include payments of Incremental Real Estate Tax Revenue for each installment payment corresponding to the applicable Real Estate Tax Levy as prorated for the applicable installment period.

“Grant Payment Request” means a written request for a Grant Payment, which shall include (1) documentation showing its full payment of the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below), and (2) the amount of the requested Grant Payment and explanation of the calculation thereof (i.e., Real Estate Tax Levy *minus* Base Real Estate Tax Revenue *equals* Incremental Real Estate Tax Revenue, as pro-rated for the applicable installment period).

“Grant Period” means that certain period commencing upon January 1st of the first real estate tax year following Recipient’s completion of Project construction, as shall be evidenced by receipt of a temporary Certificate of Occupancy (“Grant Commencement Date”) and ending on last day of the thirtieth (30th) real estate tax year following the Grant Commencement Date (“Grant Expiration Date”), subject to the provisions of Section 2.6 below. The parties acknowledge that the “Real Estate Tax Levy” for the last year of the Grant Period may not be received by the City until after the Grant Expiration Date and that a Grant Payment shall be paid to the Recipient corresponding to such Real Estate Tax Levy.

“Grant Management Fee” means a one-time non-refundable fee and an annual payment equal to 1% of the Grant Payment to cover the administrative expenses of the Authority for managing the Grant during the Grant Period.

“Incremental Real Estate Tax Revenue” means, for each applicable real estate tax year during the Grant Period, the amount by which the Real Estate Tax Levy exceeds the Base Real Estate Tax Revenue, provided the Recipient pays the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below). In no event shall the Incremental Real Estate Tax Revenue (or the Grant Payment) include penalties, interest, or any other charges resulting from any delinquent payment. The Parties acknowledge that the Real Estate Tax Levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Incremental Real Estate Tax Revenue” shall be determined based on the applicable payment (or installment) of the Real Estate Tax Levy for each applicable real estate tax year.

“Maintain” means the Recipient’s continued maintenance and operation of the Project following completion of Project construction, as set forth by Section 2.3.2 of this Agreement.

“Project” means a development on the Site containing not less than 90 residential units, subject to income and rent restrictions as set forth in Section 2.5 and as shown on Exhibit A and monitored by the State Housing Finance Agency.

“Real Estate Tax Levy” means the amount of real estate taxes levied by the City on the Site (including both the fee interest (and leasehold interest, if applicable)) and Project (i.e., including land and all improvements) for a given real estate tax year, pursuant to Chapter 26 of the Code for the City of Richmond (“City Code”).

“Recipient” means **SWANSBORO PLACE, LLC**, and its successors and assigns, to the extent permitted by this Agreement.

“Site” means those certain 0.891-acre and 0.47-acre parcels currently owned by Swansboro Place, LLC, located at 2008 Hull Street and 2021 Decatur Street, Richmond, Virginia and currently referred to in the records of the City Assessor as Parcel No. S0000354010 and S0000354019 and the dividing alley, as closed per Ordinance 2024-258, in the block bounded by Hull Street, East 20th Street, Decatur Street and East 21st Street, consisting of approximately 1,320 square feet.

“State Housing Finance Agency” means Virginia Housing (Virginia Housing Development Authority) a political subdivision of the Commonwealth of Virginia, or its successor.

Section 2. Recipient’s Obligations

2.1 Grant Management Fee.

The Recipient shall pay annually to the Authority 1% of the Grant Payment for the duration of the Grant Period. The Authority will invoice the Recipient on or before October 1 of each year and the Recipient shall remit payment within 30 days of issuance of the invoice.

2.2 Completion of Project Construction; Timeline.

2.2.1 Plan of Development. Recipient shall submit a Plan of Development or similar submission for the Project to the City’s Director of Planning and Development Review no

later than nine (9) months after the Effective Date, which Plan of Development or similar submission shall comply with the relevant provisions of the Richmond City Code and shall contain all elements of the Project as defined herein.

2.2.2 Commencement of the Project Construction. Recipient shall commence construction of the Project within eighteen (18) months of the Effective Date, (the “Construction Commencement Date”), which shall be evidenced by the issuance of all permits necessary for the commencement of construction of the Project.

2.2.3 Completion of Project Construction. The Recipient shall complete the Project within three years of the Construction Commencement Date, which shall be evidenced by the issuance of a temporary certificate of occupancy for the Project.

2.2.4 Failure to Comply. If the Recipient fails to timely comply with any of the provisions of this Section 2.2 then the City’s Chief Administrative Officer (“CAO”), in his sole discretion, may either extend the time by which the Recipient must comply with the corresponding requirement or provide written notice of the City’s intent to terminate this Agreement. If Recipient fails to cure its failure to comply within 30 days of such written notice, then this Agreement, including all rights and obligations herein, shall, upon the City’s election, terminate and neither the City nor the Authority shall have any further obligation to the Recipient and Recipient shall no longer be eligible for any Grant Payments hereunder.

2.3 Continued Maintenance and Operation of Project.

2.3.1 Continued Control of the Project by Recipient. Recipient shall continue to own, lease, or otherwise control the Site until completion of Project construction pursuant to Section 2.2.3 of this Agreement and thereafter shall continue to own, lease, or otherwise control the Project until expiration of the Grant Period. Notwithstanding the foregoing, Recipient may transfer the ownership or control interest in the Project to third parties (“Transferee”), and Recipient may (1) assign this Agreement, including the rights and obligations herein to such party or parties at the time it transfers ownership of the Project (including any leasehold interests), and (2) if the Agreement is assigned, Recipient shall provide the City and Authority 30 days prior written notice of its intent to transfer ownership or control of the Project, which notice shall include the contemplated date of transfer, the name of the party or parties to which it intends to transfer, and a written statement from such party that it is aware that this Agreement, including the rights and obligations herein, will be assigned to such party. Following the transfer of ownership in the Project to the Transferee as provided above, the term “Recipient” as used herein shall mean the Transferee.

2.3.2 Continued Maintenance and Operation of the Project. Following the Recipient’s completion of Project construction as set forth in Section 2.2.3 of this Agreement, the Recipient, or its successors or assigns, shall continue to Maintain the Project until the expiration of the Grant Period. For the avoidance of doubt, the Recipient's obligation to Maintain the Project includes the Recipient’s ongoing compliance with the provisions set forth in Section 2.5(Affordable Housing) of this Agreement.

2.4 MBE Participation.

2.4.1 Goal. The Recipient agrees to diligently work towards the following goal: Where capacity, capability, and competitive pricing among minority business enterprises and emerging small businesses exist, 30% of all expenditures for construction costs of the Project that will be paid to third-party subcontractors unaffiliated with the Recipient will be spent with minority business enterprises and emerging small businesses that perform commercially useful functions regarding the prosecution and completion of the Project. The terms "minority business enterprise" and "emerging small business" have the meaning ascribed to them in Chapter 21 of the City Code. The Recipient shall include this goal in its contracts with all assignees, contractors, and subcontractors who will be providing any portion of the Project.

2.4.2 Reporting. To enable the City to measure the achievements of the Recipient and its assignees, contractors, and subcontractors with regard to the participation goals set forth above, during the period prior to completion of Project construction, the Recipient shall submit a report upon request detailing all expenditures with minority business enterprises and emerging small businesses, showing, at a minimum, (i) the name of the business, (ii) an itemization of what the business provided, (iii) the amount paid for each item, (iv) the total amount of spending to date with minority business enterprises and emerging small businesses and (v) the percentage of total expenditures for the quarter spent with minority business enterprises and emerging small businesses. If the City chooses, the Recipient shall submit these reports on forms prescribed by the City. The City will use these reports in evaluating the good faith minority business enterprise and emerging small business participation efforts, as defined in Section 21-4 of the City Code, of the Recipient and its assignees, contractors, and subcontractors that compete for City contracts.

2.5 Affordable Housing.

The Recipient shall restrict occupancy and rents of the Project according to the schedule shown in Exhibit A, according to standards promulgated by the State Housing Finance Agency. Ongoing compliance monitoring and approvals by the State Housing Finance Agency, as provided to the City upon the City's request, shall serve as evidence of the Recipient's compliance with this section.

2.6 Continued Investment and Capital Improvements

For purposes of continued investment and upkeep of the Project to the benefit of its tenants, payment of Grant Payments after the initial fifteen (15) years of the Grant Period shall be contingent upon receipt of proof that the Recipient has at a minimum made capital improvements to the Project in an aggregate amount of Nine Hundred Thousand Dollars (\$900,000) since the Grant Commencement Date. On each fifth anniversary of the Grant Commencement Date, the Recipient shall upon request submit a report of capital improvements made to the Project since the Grant Commencement Date.

Section 3. Disbursement of Grant.

3.1. Grant. During the Grant Period, the City shall pay to Recipient (or such party to which

Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), through the Authority, the Grant Payments for such real estate tax year subject to the provisions of this Section 3.

3.2. Grant Payment Requests. The Recipient shall submit each Grant Payment Request to the CAO, with copies to the Department of Economic Development, the Authority, and the Office of the City Attorney at the respective addresses set forth in Section 8.

3.3. Disbursement of Grant Payment. Upon receipt of a Grant Payment Request, the City shall review the accuracy of the request. The City shall not make a Grant Payment if the Recipient did not make full and timely payment of the Real Estate Tax Levy for the applicable installment (except when Recipient (i) makes full payment within 60 days after the date such payment was due to the City and (ii) pays all penalties and interest for such late payment in accordance with any applicable provisions of the Richmond City Code) and shall not make a Grant Payment if Recipient is delinquent in payment of any other taxes levied by the City for the Project (except when all penalties and interest for such late payment have been paid in accordance with any applicable provision of the Richmond City Code). Within fifteen (15) business days of receipt of a Grant Payment Request, the City shall notify Recipient either that (1) the City denies the request and will not make a Grant Payment for the foregoing reasons, (2) the City approves the request and intends to make a Grant Payment in the amount requested, or (3) the City approves making a payment to Recipient but in a different amount than the amount requested because the amount requested is inconsistent with this Agreement, in which case the City shall indicate the correct Grant Payment amount it intends to make. Notwithstanding the foregoing, the City's failure to respond within fifteen (15) business days shall not constitute approval of a requested Grant Payment and the Recipient shall not be entitled to any such payment due solely to the City's failure to timely respond. Subject to any necessary City Council action, including any necessary budget amendment or appropriation of funds, the City agrees to, within fifteen (15) business days of the City's approval of any Grant Payment, transfer the funds for the Grant Payment to the Authority. The Authority agrees to pay the Grant Payment to the Recipient (or such party to which the Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), within fifteen (15) business days of receipt of the funds from the City.

3.4 Recipient's Relief. Should the Recipient believe the City failed to comply with Section 3.3 of this Agreement, the Recipient may seek relief in accordance with Section 9.2 of this Agreement. Provided, however, Recipient's sole remedy shall be to receive payment for a Grant Payment to which it was entitled (subject to the restrictions set forth in this Agreement, including, but not limited to, Sections 3.3 and 9.5) and for which it did not receive payment.

Section 4. General Administration of Grant

4.1 The City agrees to transfer to the Authority, as and when appropriated by the City Council, the funds necessary for the Authority to meet its obligations under this Agreement relating to the Grant. No administrative fees or expenses shall be paid by the City.

4.2 The Authority's obligation to undertake the activities herein is specially conditioned upon the City providing funding on a timely basis; provided, however, the City's obligation is subject to appropriation by the City Council and availability of funds.

4.3 The Authority agrees to provide the City's Chief Administrative Officer, or the designee thereof, with copies of all documents related to this Agreement, and will keep the CAO fully and timely informed of all matters related to this Agreement.

4.4 The Authority agrees that all funds transferred by the City to the Authority for the Grant shall be deposited by the Authority within a Project Fund, to be used only to satisfy the obligations contained in this Agreement related to the Grant.

4.5 It is the intent of the parties not to impose upon the Authority any responsibility, duty, or obligation other than what may be required to implement the Grant. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. If litigation involving the Grant is initiated or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and CAO.

4.6 The Authority shall keep records of its financial transactions, if any, related to the Agreement in accordance with generally accepted accounting principles. The City Auditor or his designee may at any time audit the financial transactions undertaken under this Agreement. The Authority shall cooperate to ensure that the City Auditor is granted reasonable access on a timely basis to all books and records of the Authority necessary to complete such audits.

4.7 The Authority shall not be required to furnish the City with a blanket corporate fidelity bond with surety.

Section 5. Representations of the Recipient

5.1 The Recipient is empowered to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.

5.2 All actions necessary to enable the Recipient to enter this Agreement, and to be bound hereby, have been duly taken.

5.3 The person or persons executing or attesting the execution of this Agreement on behalf of the Recipient has or have been duly authorized and empowered to so execute or attest.

5.4 The execution of this Agreement on behalf of the Recipient will bind and obligate the Recipient to the extent provided by the terms hereof.

5.5 There exists no litigation pending against the Recipient or to the Recipient's knowledge threatened, which if determined adversely, would materially and adversely affect the ability of the Recipient to carry out its obligations under this Agreement or the transactions contemplated hereunder.

Section 6. Default.

6.1 Events of Default. Each of the following events (hereinafter called an “Event of Default”) shall be a default hereunder by the Recipient as described:

6.1.1 Failure by the Recipient to maintain its corporate existence or the declaration of bankruptcy by the Recipient.

6.1.2 The failure of Recipient to comply with Section 2 of this Agreement; and

6.1.3 The failure of Recipient to pay annual Real Estate Tax Levy.

6.2 Effect of Event of Default. In the case of an occurrence of an Event of Default, the Grant provisions of Section 3 of this Agreement shall, at the City’s option, terminate ninety (90) days after the City’s notice to Recipient and Recipient’s designated lender, unless Recipient cures the Event of Default to the City’s satisfaction within such ninety (90) days, and neither the City nor the Authority shall have any further obligation relating thereto and the Recipient shall no longer be eligible for any Grant Payments hereunder. Notwithstanding the foregoing, Recipient’s obligations hereunder will remain in force and effect throughout the Grant Period and the City shall be entitled to any remedies available at law and equity, including, but not limited to, specific performance.

Section 7. Recipient Reporting.

The Recipient shall provide, at the Recipient’s expense, detailed updates and verification reasonably satisfactory to the City of the Recipient’s progress regarding the completion of Project construction and, following Project construction, of Recipient’s continued compliance with Section 2.3 of this Agreement.

Section 8. Notices.

Any notices required or permitted under this Agreement shall be given in writing and shall be deemed to be received upon receipt or refusal after the mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to the Recipient, to

Swansboro Place, LLC
Attention: Gerald Burr, Jr.
501 Commerce Road
Richmond, VA 23224

if to the **City of Richmond**, to

Chief Administrative Officer
City of Richmond, Virginia
900 East Broad Street, 14th Floor
Richmond, VA 23219

with a copy to:

Department of Economic Development
City of Richmond, Virginia
1500 East Main Street
Richmond, VA 23219

if to the Authority, to

**Economic Development Authority
of Richmond VA** – Attn: Chairman
1500 East Main Street
Richmond, VA 23219

with a copy to:

City Attorney
City of Richmond, Virginia
900 East Broad Street Suite 400
Richmond, VA 23219

Section 9. General Terms and Conditions.

9.1 Entire Agreement; Amendments; Assignments. This Agreement constitutes the Entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that in no event may this Agreement or any of the rights, benefits, duties, or obligations of the parties hereto be assigned, transferred or otherwise disposed of without the prior written consent of the other, which consent neither party shall be obligated to give, except that Recipient may assign its right to receive payment to another entity authorized to transact business in Virginia by furnishing the City and the Authority with notice identifying the entity and providing both contact and payment information in a form acceptable to the City and the Authority. Notwithstanding anything to the contrary herein, (a) Recipient shall have the right to assign its interest in the Site and Project to any future owner of the Site, the Project, or both, provided the Recipient first shall have complied with the requirements set forth in Section 2.3.1 of this Agreement and shall have submitted to the City the form of all instruments by which it purports to make such assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, in which event the assignor shall be released from all obligations and liabilities under this Agreement; and (b) Recipient shall have the right to grant to a lender a security interest in, and assignment of, Recipient's rights hereunder as collateral for the loan to be provided by a lender providing funds for the development of the Project, and any action taken by such lender or successor in interest to realize on such security interest or assignment and performance thereafter shall be deemed permitted under this Agreement, provided the Recipient first shall have submitted to the City the form of all instruments by which it purports to grant such security interest and assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, but no such consent shall be required to the exercise by lender or any assignee of lender of its right to perform Recipient's obligations hereunder after a default by Recipient under the applicable loan documents. The City agrees that the lender shall not have any liability for any act or omission of Recipient hereunder and shall only be liable hereunder for obligations arising during such time as it is the owner of Recipient's interests in the Site and Project pursuant to foreclosure, deed in lieu of foreclosure or otherwise.

9.2 Governing Law; Venue. All issues and questions concerning the construction, enforcement, interpretation, and validity of this Agreement, or the rights and obligations of the parties shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or

provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. All disputes, claims, and causes of action arising out of or in connection with this Agreement, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the City of Richmond, Virginia. Each party shall be responsible for its own attorneys' fees in the event of any litigation or other proceeding arising from this Development Agreement.

9.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

9.4 Severability. If any provision of this Agreement is determined to be unenforceable, invalid, or illegal, then the enforceability, validity, and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

9.5 Subject-to-Appropriations. All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board approval, and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available, or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's or the Authority's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

9.6 Public Disclosure.

9.6.1 Applicable Law. The parties to this Agreement acknowledge that records maintained by or in the custody of the City and the Authority are subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-90.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-37 14 and thus are subject to the records retention and public disclosure requirements set forth in those statutes.

9.6.2 Challenges to Nondisclosure. If a party submitting records to the City or the Authority requests that those records not be disclosed under applicable law and the City or the Authority consequently denies a request for disclosure of such records based on the submitting party's request, and the City's or the Authority's denial of a request for disclosure of records is challenged in court, the submitting party shall indemnify, hold harmless and defend the City or the Authority, their respective officers and employees from any and all costs, damages, fees and penalties (including attorney's fees and other costs related to litigation) relating thereto.

9.7 No Waiver. Neither failure on the part of the City or the Authority to enforce any covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City or the Authority to enforce the same right in the event of any subsequent default.

9.8 Effective Date of the Agreement. The effective date of this Agreement shall be

the date upon which it has been fully executed by the parties following approval by the City Council and by the Authority's Board of Directors.

9.9 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.

9.10 No Third-Party Beneficiaries. The parties agree that (i) no individual or entity shall be considered, deemed, or otherwise recognized to be a third-party beneficiary of this Agreement. (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, or the Recipient; (iii) no other individual or entity shall obtain any right to make any claim against the City, the Authority, or the Recipient under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity.

9.11 Signature Authority. Except as specifically otherwise set forth in this Agreement, the CAO or the designee thereof may provide any authorization, approvals, and notices contemplated herein on behalf of the City.

SIGNATURE PAGE TO FOLLOW

EXHIBIT A

Affordable Housing Schedule

The Project shall restrict occupancy and rents to an average income designation of 60% of AMI, according to standards promulgated by the State Housing Finance Agency, Virginia Housing Development Authority, for a minimum of thirty (30) years.

INTRODUCED: February 10, 2025

AN ORDINANCE No. 2025-031

To amend Ord. No. 2024-231, adopted Sept. 23, 2024, which authorized the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Agreement between the City of Richmond, Commonwealth Catholic Charities Housing Corporation, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable residential development located at 1031 Fourquare Lane, for the purpose of modifying the location of the affordable housing development to include 1111 Fourquare Lane. (6th District)

Patron – Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: FEB 24 2025 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

I. That Ordinance No. 2024-231, adopted September 23, 2024, be and is hereby amended and reordained as follows:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Grant Agreement between the City of Richmond, Commonwealth Catholic Charities Housing Corporation, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: MAR 24 2025 REJECTED: _____ STRICKEN: _____

residential development located at 1031 Fourquare Lane and 1111 Fourquare Lane. Such Grant Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

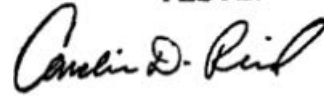
§ 2. This ordinance shall be in force and effect upon adoption.

II. This amendatory ordinance shall be in force and effect upon adoption.

APPROVED AS TO FORM:

CITY ATTORNEY'S OFFICE

A TRUE COPY:
TESTE:



City Clerk



City of Richmond

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

Master

File Number: Admin-2025-0062

File ID: Admin-2025-0062

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Attorney

Department:

File Created: 01/21/2025

Subject: Performance Grant Amendment for Saint Elizabeth Apartments

Final Action:

Title:

Internal Notes: Approval of a Performance Grant for an Affordable Housing Development Project for Saint Elizabeth Apartments, LLC. Amending Ordinance #2024-231

Agenda Date: 02/10/2025

Patron(s):

Enactment Date:

Attachments: Admin-2025-0062 Ordinance AATF, Admin-2025-0062-Saint Elizabeth Apartments - AHPG Amended Grant Agreement AATF and signed, Admin-2025-0062- Ord. No. 2024-231 Original ordinance for Saint Elizabeth Apts

Enactment Number:

Contact:

Introduction Date:

Drafter: Michelle.Peters@rva.gov

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	1/22/2025	Merrick Malone	Approve	1/23/2025
1	2	1/23/2025	Matt Welch	Approve	1/24/2025
1	4	1/27/2025	Sharon Ebert	Approve	1/27/2025
1	5	1/27/2025	Meghan Brown	Approve	1/29/2025
1	6	1/28/2025	Sheila White	Approve	1/29/2025
1	9	1/29/2025	Jeff Gray	Approve	1/30/2025
1	10	1/30/2025	Sabrina Joy-Hogg	Approve	1/31/2025
1	11	2/3/2025	Mayor Avula	Approve	2/10/2025

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File Admin-2025-0062

City of Richmond
Intracity Correspondence

O&R Request

DATE: January 29, 2025

TO: The Honorable Members of City Council

THROUGH: The Honorable Dr. Danny Avula, Mayor

THROUGH: Sabrina Joy-Hogg, Interim Chief Administrative Officer

THROUGH: Sheila White, Director of Finance

THROUGH: Meghan Brown, Director of Budget and Strategic Planning

THROUGH: Sharon L. Ebert, DCAO - Planning & Economic Development Portfolio

THROUGH: Matthew Welch, Acting Director of Economic Development

FROM: Merrick Malone, Director of Housing and Community

RE: Approval of a Performance Grant for an Affordable Housing Development Project

ORD. OR RES. No.

PURPOSE: To amend Ord. No. 2024-231, adopted Sept. 23, 2024, which authorized the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Agreement between the City of Richmond, Commonwealth Catholic Charities Housing Corporation, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable residential development located at 1031 Fourqorean Lane, for the purpose of modifying the location of the affordable housing development to include 1111 Fourqorean

Lane.

And to authorize the Chief Administrative Officer (“CAO”) to execute, for and on behalf of the City of Richmond (“City”), the Grant Agreements attached hereto by and between the City, the Economic Development Authority (“EDA”), and the following recipient:

- Saint Elizabeth Apartments LLC

REASON: Council approval is necessary to authorize the City’s execution of the Grant Agreement.

RECOMMENDATION: The City Administration recommends approval.

BACKGROUND: In 2022, the Virginia General Assembly approved HB1194, which amended Ch. 49, Title 15.2 of the Code of Virginia for the purpose of authorizing industrial/economic development authorities “to make grants associated with the construction of affordable housing in order to promote safe and affordable housing in the Commonwealth.”

These Grant Agreements will induce the Recipients to construct and operate development projects (the “Project”) that will result in significant investment and economic development on the sites located at the identified addresses in **Attachment A** and will promote safe and affordable housing in the City, and result in substantial benefits to the welfare of the City and its inhabitants, as well as is in the public interest, and serves governmental interests:

Grant payments will be solely limited to incremental real estate tax revenues generated by the Project and received by the City and such payments will be conditioned upon the Recipients’ completion of Project construction and continued maintenance thereafter. To qualify for grant payments, the Projects each must include at least the number of residential units that restrict occupancy and rents to identified AMIs, according to standards promulgated by the State Housing Finance Agency (i.e., Virginia Housing), for a minimum of thirty (30) years. See **Attachment A**.

FISCAL IMPACT / COST: The one-year fiscal impact is estimated based on the projected construction costs as a proxy for the assessed value of the property at the time of the commencement of the Grant Period. The current assessed value, prior to the commencement of the Grant Period, does not account for the development of new real estate and vastly under-values the assessment of the property at the time of commencement of the Grant Period. The true baseline for incremental tax revenues will be determined at the time of commencement of the Grant Period.

The real estate tax revenue today, based on 2024 assessed value, would be \$2,868.00 and the estimated real estate tax revenue at the time of commencement of the Grant Period would be

\$141,000.00. As such the increase from the Effective Date to the first year of the Grant Period would be \$138,132.00. This is not the incremental increase that is to be paid to the grant Recipient for each year of the Grant Period. The Incremental Real Estate Tax Revenue upon commencement of the Grant Period can only be accurately determined from the true assessment value of the property at the time of the commencement of the Grant Period. Based on recent trends, it is assumed that property value assessments in the City of Richmond will continue to increase in the coming years. However, the future rate of increase is unknown at this time. This estimate was calculated at the real estate tax rate of \$1.20 per \$100 of assessed value and does not account for Special Assessment District rates.

The approval of this performance grant will allow the City to meet one of its primary affordable housing goals, to produce new affordable housing units that are critically needed as evidenced by the City’s declaration of a “housing crisis”. There are no direct fiscal implications as the grant payments are solely limited to incremental tax revenues above and beyond the identified baselines of current real estate tax revenues received by the City for such baselines for each of the projects.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: February 10, 2025

CITY COUNCIL PUBLIC HEARING DATE: February 24, 2025

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A

AFFECTED AGENCIES: Housing & Community Development, Economic Development, Finance, Budget, City Attorney’s Office

RELATIONSHIP TO EXISTING ORD. OR RES.: 2024-231

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: Grant Agreement for the proposed recipient; Ordinance #2024-231

STAFF: Matthew Welch, Acting Director of Economic Development; Merrick Malone, Director of Housing and Community Development

Attachment A

GRANT AGREEMENT

This **GRANT AGREEMENT** (the “Agreement”) is made and entered this ____ day of _____, 2025 (the “Effective Date”), by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the “City”), **SAINT ELIZABETH APARTMENTS, LLC**, a Virginia Limited Liability Company, or its assigns or successors (the “Recipient”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND**, a political subdivision of the Commonwealth of Virginia (the “Authority”).

RECITALS

- A. The Recipient plans to develop and operate on the Site, as defined below, the Project, as defined below.
- B. The City and the Authority have determined that the Project will result in significant investment and economic development on the Site, will promote safe and affordable housing in the City of Richmond, will result in substantial benefits to the welfare of the City and its inhabitants, is in the public interest, and serves governmental interests.
- C. The City plans to fund an economic development monetary grant (the “Grant”) by the Authority to the Recipient for the purpose of inducing the Recipient to construct and operate the Project in the City of Richmond.
- D. Payment of the Grant will be conditioned upon the Recipient’s completion of Project construction and continued maintenance of the Project, as defined herein, and the funds comprising payments of the Grant will be solely limited to a portion of the incremental real estate tax revenues for the Site generated by the Project (i.e., including both the fee interest (and leasehold interest, if applicable) in the land and all improvements), all as set forth herein.
- E. The City is authorized by Section 15.2-953 of the Code of Virginia and other laws, and the Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia and other laws to perform the activities contemplated in this Agreement. The Authority is authorized by the Code of Virginia to make grants to non-public organizations such as Recipient in furtherance of the purpose of promoting economic development and affordable housing.
- F. This Agreement sets forth the understanding of the parties concerning the Recipient’s obligations, the Authority’s obligations, and the incentives offered by the City, subject to the approval of the Authority’s Board and the Richmond City Council and subject to appropriations.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises, and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

Section 1. Preliminary Provisions

1.1 Incorporation of Recitals. The foregoing recitals are incorporated herein by reference.

1.2 Definitions. For the purposes of this Agreement, the following terms shall have the following definitions:

“AMI” means area median gross income for the Richmond-Petersburg Metropolitan Statistical Area for each applicable year of the Grant Period.

“Base Real Estate Tax Revenue” means \$2,868.00 per year, being the amount equal to the real estate taxes levied on the Site for the current tax year as of the Effective Date.

“Grant” means a grant to be paid to the Recipient, or its successors or assigns, by the Authority pursuant to this Agreement.

“Grant Payment” means, for each real estate tax year during the Grant Period, an amount equal to 100% of the Incremental Real Estate Tax Revenue for such corresponding tax year. The Parties acknowledge that the annual real estate tax levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Grant Payment” shall include payments of Incremental Real Estate Tax Revenue for each installment payment corresponding to the applicable Real Estate Tax Levy as prorated for the applicable installment period.

“Grant Payment Request” means a written request for a Grant Payment, which shall include (1) documentation showing its full payment of the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below), and (2) the amount of the requested Grant Payment and explanation of the calculation thereof (i.e., Real Estate Tax Levy *minus* Base Real Estate Tax Revenue *equals* Incremental Real Estate Tax Revenue, as pro-rated for the applicable installment period).

“Grant Period” means that certain period commencing upon January 1st of the first real estate tax year following Recipient’s completion of Project construction, as shall be evidenced by receipt of a temporary Certificate of Occupancy (“Grant Commencement Date”) and ending on last day of the thirtieth (30th) real estate tax year following the Grant Commencement Date (“Grant Expiration Date”), subject to the provisions of Section 2.6 below. The parties acknowledge that the “Real Estate Tax Levy” for the last year of the Grant Period may not be received by the City until after the Grant Expiration Date and that a Grant Payment shall be paid to the Recipient corresponding to such Real Estate Tax Levy.

“Grant Management Fee” means one-time non-refundable fee and an annual payment equal to 1% of the Grant Payment to cover the administrative expenses of the Authority for managing the Grant during the Grant Period.

“Incremental Real Estate Tax Revenue” means, for each applicable real estate tax year during the Grant Period, the amount by which the Real Estate Tax Levy exceeds the Base Real

Estate Tax Revenue, provided the Recipient pays the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below). In no event shall the Incremental Real Estate Tax Revenue (or the Grant Payment) include penalties, interest, or any other charges resulting from any delinquent payment. The Parties acknowledge that the Real Estate Tax Levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Incremental Real Estate Tax Revenue” shall be determined based on the applicable payment (or installment) of the Real Estate Tax Levy for each applicable real estate tax year.

“Maintain” means the Recipient’s continued maintenance and operation of the Project following completion of Project construction, as set forth by Section 2.3.2 of this Agreement.

“Project” means a development on the Site containing not less than 56 residential units, subject to income and rent restrictions as set forth in Section 2.5 and as shown on Exhibit A and monitored by the State Housing Finance Agency.

“Real Estate Tax Levy” means the amount of real estate taxes levied by the City on the Site (including both the fee interest (and leasehold interest, if applicable)) and Project (i.e., including land and all improvements) for a given real estate tax year, pursuant to Chapter 26 of the Code for the City of Richmond (“City Code”).

“Recipient” means Saint Elizabeth Apartments, LLC, and its successors and assigns, to the extent permitted by this Agreement.

“Site” means, collectively, 3.596 acres and 2.587 acres currently owned by CATHOLIC DIOCESE OF RICHMOND KNESTOUT BARRY C BISHOP MOST, located at 1031 Fourquaren Lane and 1111 Fourquaren Lane currently referred to in the records of the City Assessor as Parcel Nos. N0000803002 and N0000803001.

“State Housing Finance Agency” means Virginia Housing (formerly known as Virginia Housing Development Authority), a political subdivision of the Commonwealth of Virginia, or its successor.

Section 2. Recipient’s Obligations

2.1 Grant Management Fee.

The Recipient shall pay annually to the Authority 1% of the Grant Payment for the duration of the Grant Period. The Authority will invoice the Recipient on or before October 1 of each year and the Recipient shall remit payment within 30 days of issuance of the invoice.

2.2 Completion of Project Construction: Timeline.

2.2.1 Plan of Development. Recipient shall submit a Plan of Development or similar submission for the Project to the City’s Director of Planning and Development Review no later than nine (9) months after the Effective Date, which Plan of Development or similar

submission shall comply with the relevant provisions of the Richmond City Code and shall contain all elements of the Project as defined herein.

2.2.2 Commencement of the Project Construction. Recipient shall commence construction of the Project within eighteen (18) months of the Effective Date, (the “Construction Commencement Date”), which shall be evidenced by the issuance of all permits necessary for the commencement of construction of the Project.

2.2.3 Completion of Project Construction. The Recipient shall complete the Project within three years of the Construction Commencement Date, which shall be evidenced by the issuance of a temporary certificate of occupancy for the Project.

2.2.4 Failure to Comply. If the Recipient fails to timely comply with any of the provisions of this Section 2.2 then the City’s Chief Administrative Officer (“CAO”), in his sole discretion, may either extend the time by which the Recipient must comply with the corresponding requirement or provide written notice of the City’s intent to terminate this Agreement. If Recipient fails to cure its failure to comply within 30 days of such written notice, then this Agreement, including all rights and obligations herein, shall, upon the City’s election, terminate and neither the City nor the Authority shall have any further obligation to the Recipient and Recipient shall no longer be eligible for any Grant Payments hereunder.

2.3 Continued Maintenance and Operation of Project.

2.3.1 Continued Control of the Project by Recipient. Recipient shall continue to own, lease, or otherwise control the Site until completion of Project construction pursuant to Section 2.2.3 of this Agreement and thereafter shall continue to own, lease, or otherwise control the Project until expiration of the Grant Period. Notwithstanding the foregoing, Recipient may transfer the ownership or control interest in the Project to third parties (“Transferee”), and Recipient may (1) assign this Agreement, including the rights and obligations herein to such party or parties at the time it transfers ownership of the Project (including any leasehold interests), and (2) if the Agreement is assigned, Recipient shall provide the City and Authority 30 days prior written notice of its intent to transfer ownership or control of the Project, which notice shall include the contemplated date of transfer, the name of the party or parties to which it intends to transfer, and a written statement from such party that it is aware that this Agreement, including the rights and obligations herein, will be assigned to such party. Following the transfer of ownership in the Project to the Transferee as provided above, the term “Recipient” as used herein shall mean the Transferee.

2.3.2 Continued Maintenance and Operation of the Project. Following the Recipient’s completion of Project construction as set forth in Section 2.1.3 of this Agreement, the Recipient, or its successors or assigns, shall continue to Maintain the Project until the expiration of the Grant Period. For the avoidance of doubt, the Recipient’s obligation to Maintain the Project includes the Recipient’s ongoing compliance with the provisions set forth in Section 2.5 (Affordable Housing) of this Agreement.

2.4 MBE Participation.

2.4.1 Goal. The Recipient agrees to diligently work towards the following goal: Where capacity, capability, and competitive pricing among minority business enterprises and emerging small businesses exist, 30% of all expenditures for construction costs of the Project that will be paid to third-party subcontractors unaffiliated with the Recipient will be spent with minority business enterprises and emerging small businesses that perform commercially useful functions with regard to the prosecution and completion of the Project. The terms "minority business enterprise" and "emerging small business" have the meaning ascribed to them in Chapter 21 of the City Code. The Recipient shall include this goal in its contracts with all assignees, contractors, and subcontractors who will be providing any portion of the Project.

2.4.2 Reporting. To enable the City to measure the achievements of the Recipient and its assignees, contractors, and subcontractors with regard to the participation goals set forth above, during the period prior to completion of Project construction, the Recipient shall submit a report upon request detailing all expenditures with minority business enterprises and emerging small businesses, showing, at a minimum, (i) the name of the business, (ii) an itemization of what the business provided, (iii) the amount paid for each item, (iv) the total amount of spending to date with minority business enterprises and emerging small businesses and (v) the percentage of total expenditures for the quarter spent with minority business enterprises and emerging small businesses. If the City chooses, the Recipient shall submit these reports on forms prescribed by the City. The City will use these reports in evaluating the good faith minority business enterprise and emerging small business participation efforts, as defined in Section 21-4 of the City Code, of the Recipient and its assignees, contractors, and subcontractors that compete for City contracts.

2.5 Affordable Housing.

The Recipient shall restrict occupancy and rents of the Project according to the schedule shown on Exhibit A, according to standards promulgated by the State Housing Finance Agency. Ongoing compliance monitoring and approvals by the State Housing Finance Agency, as provided to the City upon the City's request, shall serve as evidence of the Recipient's compliance with this section.

2.6 Continued Investment and Capital Improvements

For purposes of continued investment and upkeep of the Project to the benefit of its tenants, payment of Grant Payments after the initial fifteen (15) years of the Grant Period shall be contingent upon receipt of proof that the Recipient has at a minimum made capital improvements to the Project in an aggregate amount of five-hundred sixty thousand and No/100 Dollars (\$560,000.00) since the Grant Commencement Date. On each fifth anniversary of the Grant Commencement Date, the Recipient shall upon request submit a report of capital improvements made to the Project since the Grant Commencement Date.

Section 3. Disbursement of Grant.

3.1. Grant. During the Grant Period, the City shall pay to Recipient (or such party to which Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), through the Authority, the Grant Payments for such real estate tax year subject to the provisions of this Section 3.

3.2. Grant Payment Requests. The Recipient shall submit each Grant Payment Request to the CAO, with copies to the Department of Economic Development, the Authority, and the Office of the City Attorney at the respective addresses set forth in Section 8.

3.3. Disbursement of Grant Payment. Upon receipt of a Grant Payment Request, the City shall review the accuracy of the request. The City shall not make a Grant Payment if the Recipient did not make full and timely payment of the Real Estate Tax Levy for the applicable installment (except when Recipient (i) makes full payment within 60 days after the date such payment was due to the City and (ii) pays all penalties and interest for such late payment in accordance with any applicable provisions of the Richmond City Code) and shall not make a Grant Payment if Recipient is delinquent in payment of any other taxes levied by the City for the Project (except when all penalties and interest for such late payment have been paid in accordance with any applicable provision of the Richmond City Code). Within fifteen (15) business days of receipt of a Grant Payment Request, the City shall notify Recipient either that (1) the City denies the request and will not make a Grant Payment for the foregoing reasons, (2) the City approves the request and intends to make a Grant Payment in the amount requested, or (3) the City approves making a payment to Recipient but in a different amount than the amount requested because the amount requested is inconsistent with this Agreement, in which case the City shall indicate the correct Grant Payment amount it intends to make. Notwithstanding the foregoing, the City's failure to respond within fifteen (15) business days shall not constitute approval of a requested Grant Payment and the Recipient shall not be entitled to any such payment due solely to the City's failure to timely respond. Subject to any necessary City Council action, including any necessary budget amendment or appropriation of funds, the City agrees to, within fifteen (15) business days of the City's approval of any Grant Payment, transfer the funds for the Grant Payment to the Authority. The Authority agrees to pay the Grant Payment to the Recipient (or such party to which the Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), within fifteen (15) business days of receipt of the funds from the City.

3.4 Recipient's Relief. Should the Recipient believe the City failed to comply with Section 3.3 of this Agreement, the Recipient may seek relief in accordance with Section 9.2 of this Agreement. Provided, however, Recipient's sole remedy shall be to receive payment for a Grant Payment to which it was entitled (subject to the restrictions set forth in this Agreement, including, but not limited to, Sections 3.3 and 9.5) and for which it did not receive payment.

Section 4. General Administration of Grant

4.1 The City agrees to transfer to the Authority, as and when appropriated by

the City Council, the funds necessary for the Authority to meet its obligations under this Agreement relating to the Grant. No administrative fees or expenses shall be paid by the City.

4.2 The Authority's obligation to undertake the activities herein is specially conditioned upon the City providing funding on a timely basis; provided, however, the City's obligation is subject to appropriation by the City Council and availability of funds.

4.3 The Authority agrees to provide the City's Chief Administrative Officer, or the designee thereof, with copies of all documents related to this Agreement, and will keep the CAO fully and timely informed of all matters related to this Agreement.

4.4 The Authority agrees that all funds transferred by the City to the Authority for the Grant shall be deposited by the Authority within a Project Fund, to be used only to satisfy the obligations contained in this Agreement related to the Grant.

4.5 It is the intent of the parties not to impose upon the Authority any responsibility, duty, or obligation other than what may be required to implement the Grant. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. If litigation involving the Grant is initiated or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and CAO.

4.6 The Authority shall keep records of its financial transactions, if any, related to the Agreement in accordance with generally accepted accounting principles. The City Auditor or his designee may at any time audit the financial transactions undertaken under this Agreement. The Authority shall cooperate to ensure that the City Auditor is granted reasonable access on a timely basis to all books and records of the Authority necessary to complete such audits.

4.7 The Authority shall not be required to furnish the City with a blanket corporate fidelity bond with surety.

Section 5. Representations of the Recipient

5.1 The Recipient is empowered to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.

5.2 Any and all actions necessary to enable the Recipient to enter this Agreement, and to be bound hereby, have been duly taken.

5.3 The person or persons executing or attesting the execution of this Agreement on behalf of the Recipient has or have been duly authorized and empowered to so execute or attest.

5.4 The execution of this Agreement on behalf of the Recipient will bind and obligate the Recipient to the extent provided by the terms hereof.

5.5 There exists no litigation pending against the Recipient or to the Recipient's knowledge threatened, which if determined adversely, would materially and adversely affect the ability of the Recipient to carry out its obligations under this Agreement or the transactions contemplated hereunder.

Section 6. Default.

6.1 Events of Default. Each of the following events (hereinafter called an "Event of Default") shall be a default hereunder by the Recipient as described:

6.1.1 Failure by the Recipient to maintain its corporate existence or the declaration of bankruptcy by the Recipient.

6.1.2 The failure of Recipient to comply with Section 2 of this Agreement; and

6.1.3 The failure of Recipient to pay annual Real Estate Tax Levy.

6.2 Effect of Event of Default. In the case of an occurrence of an Event of Default, the Grant provisions of Section 3 of this Agreement shall, at the City's option, terminate ninety (90) days after the City's notice to Recipient and Recipient's designated lender, unless Recipient cures the Event of Default to the City's satisfaction within such ninety (90) days, and neither the City nor the Authority shall have any further obligation relating thereto and the Recipient shall no longer be eligible for any Grant Payments hereunder. Notwithstanding the foregoing, Recipient's obligations hereunder will remain in force and effect throughout the Grant Period and the City shall be entitled to any remedies available at law and equity, including, but not limited to, specific performance.

Section 7. Recipient Reporting.

The Recipient shall provide, at the Recipient's expense, detailed updates and verification reasonably satisfactory to the City of the Recipient's progress regarding the completion of Project construction and, following Project construction, of Recipient's continued compliance with Section 2.3 of this Agreement.

Section 8. Notices.

Any notices required or permitted under this Agreement shall be given in writing and shall be deemed to be received upon receipt or refusal after the mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to the Recipient, to

Commonwealth Catholic Charities
Housing Corporation
1601 Rolling Hills Drive
Richmond, Virginia 23229
Attn. Vice President of Housing

with a copy to:

Klein Horning
1325 G Street NW, Suite 770
Washington DC 20005
Attn: Erik Hoffman

if to the City, to

Chief Administrative Officer
City of Richmond, Virginia
900 East Broad Street, 14th Floor
Richmond, VA 23219

with a copy to:

Department of Economic Development
City of Richmond, Virginia
1500 East Main Street
Richmond, VA 23219

if to the Authority, to

Economic Development Authority
of Richmond VA – Attn: Chairman
1500 East Main Street
Richmond, VA 23219

with a copy to:

City Attorney
City of Richmond, Virginia
900 East Broad Street Suite 400
Richmond, VA 23219

Section 9. General Terms and Conditions.

9.1 Entire Agreement; Amendments; Assignments. This Agreement constitutes the entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each of the parties hereto, and subject to the prior written consent of each Mortgage and Investor. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, including, without limitation, a Mortgagee or its designee upon a foreclosure or deed-in-lieu of foreclosure of the Site or the Project; provided, however, that in no event may this Agreement or any of the rights, benefits, duties, or obligations of the parties hereto be assigned, transferred or otherwise disposed of without the prior written consent of the other, which consent neither party shall be obligated to give, except that Recipient may assign its right to receive payment to another entity authorized to transact business in Virginia by furnishing the City and the Authority with notice identifying the entity and providing both contact and payment information in a form acceptable to the City and the Authority. Notwithstanding anything to the contrary herein, (a) Recipient shall have the right to assign its interest in the Site and Project to any future owner provided the Recipient first shall have complied with the requirements set forth in Section 2.3.1 of this Agreement and shall have submitted to the City the form of all instruments by which it purports to make such assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, in which event the assignor shall be released from all obligations and liabilities under this Agreement; and (b) Recipient shall have the right to grant to a Mortgagee a security interest in, and assignment of, Recipient's rights hereunder as collateral for the loan to be provided by such Mortgagee for the development of the Project, and any action taken by such Mortgagee to realize on such security interest or assignment and performance thereafter shall be deemed permitted under this Agreement, provided the Recipient first shall have submitted to the City the form of all instruments by which it purports to grant such security interest and assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld. Neither the City's nor Authority's consent shall be required to the exercise by Mortgagee or any assignee of Mortgagee of its right to perform Recipient's obligations hereunder after a default by Recipient under the applicable loan documents. The City agrees that Mortgagee shall not have any liability for any act or omission of Recipient hereunder and shall only be liable hereunder for obligations arising during such time as it is the owner of Recipient's interests in the Site and Project pursuant to foreclosure, deed in lieu of foreclosure or otherwise. For the avoidance of doubt, no transfer by foreclosure or deed-in-lieu of foreclosure pursuant to a Mortgage and no

transfer of interests in Recipient or the exercise by Investor of its rights to remove the general partner or managing member of Recipient shall require notice to or the approval of the City or Authority.

92 Governing Law; Venue. All issues and questions concerning the construction, enforcement, interpretation, and validity of this Agreement, or the rights and obligations of the parties shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. All disputes, claims, and causes of action arising out of or in connection with this Agreement, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the City of Richmond, Virginia. Each party shall be responsible for its own attorneys' fees in the event of any litigation or other proceeding arising from this Development Agreement.

93 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

94 Severability. If any provision of this Agreement is determined to be unenforceable, invalid, or illegal, then the enforceability, validity, and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

95 Subject-to-Appropriations. All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board approval, and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available, or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's or the Authority's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

96 Public Disclosure.

96.1 Applicable Law. The parties to this Agreement acknowledge that records maintained by or in the custody of the City and the Authority are subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-90.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-37 14 and thus are subject to the records retention and public disclosure requirements set forth in those statutes.

96.2 Challenges to Nondisclosure. If a party submitting records to the City or the Authority requests that those records not be disclosed under applicable law and the City or the Authority consequently denies a request for disclosure of such records based on the submitting party's request, and the City's or the Authority's denial of a request for disclosure of records is challenged in court, the submitting party shall indemnify, hold harmless and defend the City or the Authority, their respective officers and employees from any and all costs, damages, fees and penalties (including attorney's fees and other costs related to litigation) relating thereto.

97 No Waiver. Neither failure on the part of the City or the Authority to enforce any covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City or the Authority to enforce the same right in the event of any subsequent default.

98 Effective Date of the Agreement. The effective date of this Agreement shall be the date upon which it has been fully executed by the parties following approval by the City Council and by the Authority's Board of Directors.

99 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.

9.10 No Third-Party Beneficiaries. The parties agree that (i) no individual or entity shall be considered, deemed, or otherwise recognized to be a third-party beneficiary of this Agreement; (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, or the Recipient; (iii) no other individual or entity shall obtain any right to make any claim against the City, the Authority, or the Recipient under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity.

9.11 Signature Authority. Except as specifically otherwise set forth in this Agreement, the CAO or the designee thereof may provide any authorization, approvals, and notices contemplated herein on behalf of the City.

SIGNATURE PAGE TO FOLLOW


IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

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

By: _____
Sabrina Joy-Hogg Interim Chief Date
Administrative Officer

Authorized by Ordinance No. _____

Approved as to Form:

By:  _____
City Attorney's Office

Saint Elizabeth Apartments, LLC, a Virginia limited liability company

By: _____
Date

Name: _____
Title: _____

**ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF
RICHMOND, VIRGINIA,**
a political subdivision of the
Commonwealth of Virginia

By: _____
Chairman Date

Approved as to Form:

By: _____
General Counsel to the Authority

EXHIBIT A

Affordable Housing Schedule

The Project shall restrict occupancy and rents to 51-80% of AMI for twenty-eight (28) of the applicable units restrict occupancy and rents to 0-50% of AMI for twenty-eight (28) of the applicable units, according to standards promulgated by the State Housing Finance Agency, for a minimum of thirty (30) years.

INTRODUCED: March 10, 2025

AN ORDINANCE No. 2025-042

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Agreement between the City of Richmond, 1903 Semmes LLC, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable housing development located at 1903 Semmes Avenue and 1905 Semmes Avenue. (5th District)

Patron – Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAR 24 2025 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Grant Agreement between the City of Richmond, 1903 Semmes LLC, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable housing development located at 1903 Semmes Avenue and 1905 Semmes Avenue. Such Grant Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

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

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

APPROVED AS TO FORM:

CITY ATTORNEY'S OFFICE



City of Richmond

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

Master

File Number: Admin-2025-0120

File ID: Admin-2025-0120

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Attorney

Department:

File Created: 02/06/2025

Subject: Affordable Housing Performance Grant

Final Action:

Title:

Internal Notes: Performance Grant for an Affordable Housing Development Project for 1903 Semmes LLC at 1903 Semmes Avenue

Agenda Date: 03/10/2025

Patron(s):

Enactment Date:

Attachments: Admin-2025-0120 - 1903 Semmes Ave - AHPG Agreement - AATF, Admin-2025-0120 - Ord - 1903 Semmes Ave - AATF

Enactment Number:

Contact:

Introduction Date:

Drafter:

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	2/7/2025	Merrick Malone	Approve	2/7/2025
1	2	2/7/2025	Matt Welch	Approve	2/11/2025
1	4	2/7/2025	Sharon Ebert	Approve	2/11/2025
1	5	2/7/2025	Meghan Brown	Approve	2/11/2025
1	6	2/7/2025	Sheila White	Approve	2/11/2025
1	8	2/7/2025	Sabrina Joy-Hogg	Approve	2/11/2025
1	10	2/27/2025	Jeff Gray	Approve	2/11/2025
1	11	2/28/2025	Sabrina Joy-Hogg	Approve	3/10/2025
1	12	3/3/2025	Mayor Avula	Approve	3/11/2025

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2025-0120

City of Richmond
Intracity Correspondence

O&R Transmittal
DATE: January 23, 2025

TO: The Honorable Members of City Council
THROUGH: The Honorable Dr. Danny Avula, Mayor
THROUGH: Sabrina Joy-Hogg, Interim Chief Administrative Officer
THROUGH: Sheila White, Director of Finance
THROUGH: Meghan Brown - Director of Budget and Strategic Planning
THROUGH: Sharon L. Ebert, DCAO - Planning & Economic Development Portfolio
THROUGH: Matthew Welch, Interim Director of Economic Development
FROM: Merrick Malone, Director of Housing and Community Development
RE: Approval of a Performance Grant for an Affordable Housing Development Project
ORD. OR RES. No.

PURPOSE: To authorize the Chief Administrative Officer (“CAO”) to execute for and on behalf of the City of Richmond (“City”), the Grant Agreements attached hereto by and between the City, the Economic Development Authority (“EDA”), and 1903 Semmes LLC for the purpose of facilitating the construction of an affordable housing development.

The development is located in the 5th District and will be comprised of no less than 20 affordable housing units with 10 units at 0-50% AMI and 10 units at 50-80% AMI of the Richmond-Petersburg MSA. The developer for the project is Commonwealth Catholic Charities Housing Corporation. It is expected that construction for the project will begin in 2026 and be complete in 2027.

BACKGROUND: In 2022, the Virginia General Assembly approved HB1194, which amended Ch. 49, Title 15.2 of the Code of Virginia for the purpose of authorizing industrial/economic development authorities “to make grants associated with the construction of affordable housing in order to promote safe and affordable housing in the Commonwealth.”

These Grant Agreements will induce the Recipients to construct and operate development projects (the “Project”) that will result in significant investment and economic development on the sites located at the identified addresses in Attachment A and will promote safe and affordable housing in the City, and result in substantial benefits to the welfare of the City and its inhabitants, as well as is in the public interest, and serves governmental interests:

Grant payments will be solely limited to incremental real estate tax revenues generated by the Project and received by the City and such payments will be conditioned upon the Recipients’ completion of Project construction and continued maintenance thereafter. To qualify for grant payments, the Projects each must include at least the number of residential units that restrict occupancy and rents to identified AMIs, according to standards promulgated by the State Housing Finance Agency (i.e., Virginia Housing), for a minimum of thirty (30) years. See Attachment A.

COMMUNITY ENGAGEMENT: The neighborhood associations were notified as a part of the rezoning process that allowed the rezoning from M-1 Light Industrial district to a TOD-1 Transit Oriented Development district. There were two public hearings and a committee meeting.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: This development complies with the Richmond

300 Master Plan and the Equitable Affordable Housing Plan.

FISCAL IMPACT: The one-year fiscal impact is estimated based on the projected construction costs as a proxy for the assessed value of the property at the time of the commencement of the Grant Period. The current assessed value, prior to the commencement of the Grant Period, does not account for the development of new real estate and thus under-values the true assessed value of the property at the time of commencement of the Grant Period. The true baseline for incremental tax revenues will be determined at the time of commencement of the Grant Period.

The real estate tax revenue today, based on 2025 assessed value, would be \$4,680.00 and the estimated real estate tax revenue at the time of commencement of the Grant Period would be \$89,504.27. As such the increase from the Effective Date to the first year of the Grant Period, based on the percentage of performance grant awarded, would be \$84,824.27. This is not the incremental increase that is to be paid to the grant Recipient for each year of the Grant Period. The Incremental Real Estate Tax Revenue upon commencement of the Grant Period can only be accurately determined from the true assessment value of the property at the time of the commencement of the Grant Period. Based on recent trends, it is assumed that property value assessments in the City of Richmond will continue to increase in the coming years. However, the future rate of increase is unknown at this time. This estimate was calculated at the real estate tax rate of \$1.20 per \$100 of assessed value and does not account for Special Assessment District rates.

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: March 10, 2025

CITY COUNCIL PUBLIC HEARING DATE: March 24, 2025

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

AFFECTED AGENCIES: Housing & Community Development, Economic Development, Finance, Budget, City Attorney's Office

RELATIONSHIP TO EXISTING ORD. OR RES.: N/A

ATTACHMENTS: Grant agreement

STAFF: Matthew Welch, Interim Director of Economic Development
Merrick Malone, Director of Housing and Community Development

ATTACHMENT A

GRANT AGREEMENT

This **GRANT AGREEMENT** (the “Agreement”) is made and entered this _____ day of _____, 2025 (the “Effective Date”), by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the “City”), **1903 Semmes LLC**, a Virginia limited liability company, or its assigns or successors (the “Recipient”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND**, a political subdivision of the Commonwealth of Virginia (the “Authority”).

RECITALS

- A. The Recipient plans to develop and operate on the Site, as defined below, the Project, as defined below.
- B. The City and the Authority have determined that the Project will result in significant investment and economic development on the Site, will promote safe and affordable housing in the City of Richmond, will result in substantial benefits to the welfare of the City and its inhabitants, is in the public interest, and serves governmental interests.
- C. The City plans to fund an economic development monetary grant (the “Grant”) by the Authority to the Recipient for the purpose of inducing the Recipient to construct and operate the Project in the City of Richmond.
- D. Payment of the Grant will be conditioned upon the Recipient’s completion of Project construction and continued maintenance of the Project, as defined herein, and the funds comprising payments of the Grant will be solely limited to a portion of the incremental real estate tax revenues for the Site generated by the Project (i.e., including both the fee interest (and leasehold interest, if applicable) in the land and all improvements), all as set forth herein.
- E. The City is authorized by Section 15.2-953 of the Code of Virginia and other laws, and the Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia and other laws to perform the activities contemplated in this Agreement. The Authority is authorized by the Code of Virginia to make grants to non-public organizations such as Recipient in furtherance of the purpose of promoting economic development and affordable housing.
- F. This Agreement sets forth the understanding of the parties concerning the Recipient’s obligations, the Authority’s obligations, and the incentives offered by the City, subject to the approval of the Authority’s Board and the Richmond City Council and subject to appropriations.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises, and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

Section 1. Preliminary Provisions

1.1 Incorporation of Recitals. The foregoing recitals are incorporated herein by reference.

1.2 Definitions. For the purposes of this Agreement, the following terms shall have the following definitions:

“AMI” means area median gross income for the Richmond-Petersburg Metropolitan Statistical Area for each applicable year of the Grant Period.

“Base Real Estate Tax Revenue” means \$4,680.00 per year, being the amount equal to the real estate taxes levied on the Site for the current tax year as of the Effective Date.

“Grant” has the meaning set forth in the recitals of this Agreement.

“Grant Payment” means, for each real estate tax year during the Grant Period, an amount equal to 100% of the Incremental Real Estate Tax Revenue for such corresponding tax year. The Parties acknowledge that the annual real estate tax levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Grant Payment” shall include payments of Incremental Real Estate Tax Revenue for each installment payment corresponding to the applicable Real Estate Tax Levy as prorated for the applicable installment period.

“Grant Payment Request” means a written request for a Grant Payment, which shall include (1) documentation showing its full payment of the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below), and (2) the amount of the requested Grant Payment and explanation of the calculation thereof (i.e., Real Estate Tax Levy *minus* Base Real Estate Tax Revenue *equals* Incremental Real Estate Tax Revenue, as pro-rated for the applicable installment period).

“Grant Period” means that certain period commencing upon January 1st of the first real estate tax year following Recipient’s completion of Project construction, as shall be evidenced by receipt of a temporary Certificate of Occupancy (“Grant Commencement Date”) and ending on last day of the thirtieth (30th) real estate tax year following the Grant Commencement Date (“Grant Expiration Date”), subject to the provisions of Section 2.6 below. The parties acknowledge that the “Real Estate Tax Levy” for the last year of the Grant Period may not be received by the City until after the Grant Expiration Date and that a Grant Payment shall be paid to the Recipient corresponding to such Real Estate Tax Levy.

“Grant Management Fee” means one-time non-refundable fee and an annual payment equal to 1% of the Grant Payment to cover the administrative expenses of the Authority for managing the Grant during the Grant Period.

“Incremental Real Estate Tax Revenue” means, for each applicable real estate tax year during the Grant Period, the amount by which the Real Estate Tax Levy exceeds the Base Real

Estate Tax Revenue provided the Recipient pays the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below). In no event shall the Incremental Real Estate Tax Revenue (or the Grant Payment) include penalties, interest, or any other charges resulting from any delinquent payment. The Parties acknowledge that the Real Estate Tax Levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Incremental Real Estate Tax Revenue” shall be determined based on the applicable payment (or installment) of the Real Estate Tax Levy for each applicable real estate tax year.

“Investor” shall mean that institutional tax credit investor(s) to be admitted to the Recipient as an investor member.

“Land Records” means the Clerk’s Office of the Circuit Court of the City of Richmond, Virginia.

“Maintain” means the Recipient’s continued maintenance and operation of the Project following completion of Project construction, as set forth by Section 2.3.2 of this Agreement.

“Mortgage” means any mortgage, deed of trust, deed to secure debt or other similar instrument created for the purpose of securing indebtedness of Recipient, and recorded among the Land Records, or any mortgage, deed of trust, deed to secure debt or other similar instrument created for the purposes of refinancing such indebtedness and recorded among the Land Records.

“Mortgagee” means the secured party under a Mortgage.

“Project” means a development on the Site containing not less than twenty (20) residential units, subject to income and rent restrictions as set forth in Section 2.5 and as shown on Exhibit A and monitored by the State Housing Finance Agency.

“Real Estate Tax Levy” means the amount of real estate taxes levied by the City on the Site (including both the fee interest (and leasehold interest, if applicable)) and Project (i.e., including land and all improvements) for a given real estate tax year, pursuant to Chapter 26 of the Code for the City of Richmond (“City Code”).

“Recipient” means 1903 Semmes LLC, and its successors and assigns, to the extent permitted by this Agreement.

“Site” means, collectively, 0.275 and 0.413 acres currently owned by Maggie Walker Community Land Trust C/O Erica Sims with an option to purchase by 1903 Semmes LLC (Attachment B), located at 1903 Semmes Avenue Richmond, Virginia 23225 and 1905 Semmes Avenue Richmond, Virginia 23225 currently referred to in the records of the City Assessor as Parcel Nos. S0000302008 and S0000302012.

“State Housing Finance Agency” means Virginia Housing Development Authority (doing business as Virginia Housing), a political subdivision of the Commonwealth of Virginia, or its successor.

Section 2. Recipient's Obligations

2.1 Grant Management Fee.

The Recipient shall pay annually to the Authority 1% of the Grant Payment for the duration of the Grant Period. The Authority will invoice the Recipient on or before October 1 of each year and the Recipient shall remit payment within 30 days of issuance of the invoice.

2.2 Completion of Project Construction: Timeline.

2.2.1 Plan of Development. Recipient shall submit a Plan of Development or similar submission for the Project to the City's Director of Planning and Development Review no later than twelve (12) months after the Effective Date, which Plan of Development or similar submission shall comply with the relevant provisions of the Richmond City Code and shall contain all elements of the Project as defined herein.

2.2.2 Commencement of the Project Construction. Recipient shall commence construction of the Project within twenty-four (24) months of the Effective Date, (the "Construction Commencement Date"), which shall be evidenced by the issuance of all permits necessary for the commencement of construction of the Project.

2.2.3 Completion of Project Construction. The Recipient shall complete the Project within five (5) years of the Construction Commencement Date, which shall be evidenced by the issuance of a temporary certificate of occupancy for the Project.

2.2.4 Failure to Comply. If the Recipient fails to timely comply with any of the provisions of this Section 2.2 then the City's Chief Administrative Officer ("CAO"), in his sole discretion, may either extend the time by which the Recipient must comply with the corresponding requirement or provide written notice of the City's intent to terminate this Agreement. If Recipient fails to cure its failure to comply within sixty (60) days of such written notice, then this Agreement, including all rights and obligations herein, shall, upon the City's election and subject to the rights of the Mortgagee under Section 6.3 hereof, terminate and neither the City nor the Authority shall have any further obligation to the Recipient and Recipient shall no longer be eligible for any Grant Payments hereunder.

2.3 Continued Maintenance and Operation of Project.

2.3.1 Continued Control of the Project by Recipient. Recipient shall continue to own, lease, or otherwise control the Site until completion of Project construction pursuant to Section 2.2.3 of this Agreement and thereafter shall continue to own, lease, or otherwise control the Project until expiration of the Grant Period. Notwithstanding the foregoing, Recipient may transfer the ownership or control interest in the Project to third parties ("Transferee"), and Recipient may (1) assign this Agreement, including the rights and obligations herein to such party or parties at the time it transfers ownership of the Project (including any leasehold interests), and (2) if the Agreement is assigned, Recipient shall provide the City and Authority 30 days prior written notice of its intent to transfer ownership

or control of the Project, which notice shall include the contemplated date of transfer, the name of the party or parties to which it intends to transfer, and a written statement from such party that it is aware that this Agreement, including the rights and obligations herein, will be assigned to such party. Following the transfer of ownership in the Project to the Transferee as provided above, the term “Recipient” as used herein shall mean the Transferee. For the avoidance of doubt, this Section 2.3.1 shall not apply to any transfer by foreclosure or deed-in-lieu of foreclosure or to any transfer of interests in Recipient or the exercise by Investor of its rights to remove the general partner or managing member of Recipient any such transfer shall require notice to, but not the consent of, the City or Authority.

2.3.2 Continued Maintenance and Operation of the Project. Following the Recipient’s completion of Project construction as set forth in Section 2.1.3 of this Agreement, the Recipient, or its successors or assigns, shall continue to Maintain the Project until the expiration of the Grant Period. For the avoidance of doubt, the Recipient’s obligation to Maintain the Project includes the Recipient’s ongoing compliance with the provisions set forth in Section 2.5 (Affordable Housing) of this Agreement.

2.4 MBE Participation.

2.4.1 Goal. The Recipient agrees to diligently work towards the following goal: Where capacity, capability, and competitive pricing among minority business enterprises and emerging small businesses exist, 30% of all expenditures for construction costs of the Project that will be paid to third-party subcontractors unaffiliated with the Recipient will be spent with minority business enterprises and emerging small businesses that perform commercially useful functions with regard to the prosecution and completion of the Project. The terms "minority business enterprise" and “emerging small business” have the meaning ascribed to them in Chapter 21 of the City Code. The Recipient shall include this goal in its contracts with all assignees, contractors, and subcontractors who will be providing any portion of the Project.

2.4.2 Reporting. To enable the City to measure the achievements of the Recipient and its assignees, contractors, and subcontractors with regard to the participation goals set forth above, during the period prior to completion of Project construction, the Recipient shall submit a report upon request detailing all expenditures with minority business enterprises and emerging small businesses, showing, at a minimum, (i) the name of the business, (ii) an itemization of what the business provided, (iii) the amount paid for each item, (iv) the total amount of spending to date with minority business enterprises and emerging small businesses and (v) the percentage of total expenditures for the quarter spent with minority business enterprises and emerging small businesses. If the City chooses, the Recipient shall submit these reports on forms prescribed by the City. The City will use these reports in evaluating the good faith minority business enterprise and emerging small business participation efforts, as defined in Section 21-4 of the City Code, of the Recipient and its assignees, contractors, and subcontractors that compete for City contracts.

2.5 Affordable Housing.

The Recipient shall restrict occupancy and rents of the Project according to the schedule shown on Exhibit A, according to standards promulgated by the State Housing Finance Agency or as otherwise approved by the Authority. Ongoing compliance monitoring and approvals by the State Housing Finance Agency, as provided to the City upon the City's request, shall serve as evidence of the Recipient's compliance with this section.

2.6 Continued Investment and Capital Improvements

For purposes of continued investment and upkeep of the Project to the benefit of its tenants, payment of Grant Payments after the initial fifteen (15) years of the Grant Period shall be contingent upon receipt of proof that the Recipient has at a minimum made capital improvements to the Project in an aggregate amount of two-hundred thousand and No/100 Dollars (\$200,000.00) since the Grant Commencement Date. On each fifth anniversary of the Grant Commencement Date, the Recipient shall upon request submit a report of capital improvements made to the Project since the Grant Commencement Date.

Section 3. Disbursement of Grant.

3.1. Grant. During the Grant Period, the City shall pay to Recipient (or such party to which Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), through the Authority, the Grant Payments for such real estate tax year subject to the provisions of this Section 3.

3.2. Grant Payment Requests. The Recipient shall submit each Grant Payment Request to the CAO, with copies to the Department of Economic Development, the Authority, and the Office of the City Attorney at the respective addresses set forth in Section 8.

3.3. Disbursement of Grant Payment. Upon receipt of a Grant Payment Request, the City shall review the accuracy of the request. The City shall not make a Grant Payment if the Recipient did not make full and timely payment of the Real Estate Tax Levy for the applicable installment (except when Recipient (i) makes full payment within 60 days after the date such payment was due to the City and (ii) pays all penalties and interest for such late payment in accordance with any applicable provisions of the Richmond City Code) and shall not make a Grant Payment if Recipient is delinquent in payment of any other taxes levied by the City for the Project (except when all penalties and interest for such late payment have been paid in accordance with any applicable provision of the Richmond City Code). Within fifteen (15) business days of receipt of a Grant Payment Request, the City shall notify Recipient either that (1) the City denies the request and will not make a Grant Payment for the foregoing reasons, (2) the City approves the request and intends to make a Grant Payment in the amount requested, or (3) the City approves making a payment to Recipient but in a different amount than the amount requested because the amount requested is inconsistent with this Agreement, in which case the City shall indicate the correct Grant Payment amount it intends to make. Notwithstanding the foregoing, the City's failure to respond within fifteen (15) business days shall not constitute approval of a requested Grant Payment and the Recipient shall not be entitled to any such payment due solely to the City's failure to timely respond. Subject to any necessary City Council action, including any

necessary budget amendment or appropriation of funds, the City agrees to, within fifteen (15) business days of the City's approval of any Grant Payment, transfer the funds for the Grant Payment to the Authority. The Authority agrees to pay the Grant Payment to the Recipient (or such party to which the Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), within fifteen (15) business days of receipt of the funds from the City.

3.4 Recipient's Relief. Should the Recipient believe the City failed to comply with Section 3.3 of this Agreement, the Recipient may seek relief in accordance with Section 9.2 of this Agreement. Provided, however, Recipient's sole remedy shall be to receive payment for a Grant Payment to which it was entitled (subject to the restrictions set forth in this Agreement, including, but not limited to, Sections 3.3 and 9.5) and for which it did not receive payment.

Section 4. General Administration of Grant

4.1 The City agrees to transfer to the Authority, as and when appropriated by the City Council, the funds necessary for the Authority to meet its obligations under this Agreement relating to the Grant. No administrative fees or expenses shall be paid by the City.

4.2 The Authority's obligation to undertake the activities herein is specially conditioned upon the City providing funding on a timely basis; provided, however, the City's obligation is subject to appropriation by the City Council and availability of funds.

4.3 The Authority agrees to provide the City's Chief Administrative Officer, or the designee thereof, with copies of all documents related to this Agreement, and will keep the CAO fully and timely informed of all matters related to this Agreement.

4.4 The Authority agrees that all funds transferred by the City to the Authority for the Grant shall be deposited by the Authority within a Project Fund, to be used only to satisfy the obligations contained in this Agreement related to the Grant.

4.5 It is the intent of the parties not to impose upon the Authority any responsibility, duty, or obligation other than what may be required to implement the Grant. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. If litigation involving the Grant is initiated or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and CAO.

4.6 The Authority shall keep records of its financial transactions, if any, related to the Agreement in accordance with generally accepted accounting principles. The City Auditor or his designee may at any time audit the financial transactions undertaken under this Agreement. The Authority shall cooperate to ensure that the City Auditor is granted reasonable access on a timely basis to all books and records of the Authority necessary to complete such audits.

4.7 The Authority shall not be required to furnish the City with a blanket corporate fidelity bond with surety.

Section 5. Representations of the Recipient

5.1 The Recipient is empowered to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.

5.2 Any and all actions necessary to enable the Recipient to enter this Agreement, and to be bound hereby, have been duly taken.

5.3 The person or persons executing or attesting the execution of this Agreement on behalf of the Recipient has or have been duly authorized and empowered to so execute or attest.

5.4 The execution of this Agreement on behalf of the Recipient will bind and obligate the Recipient to the extent provided by the terms hereof.

5.5 There exists no litigation pending against the Recipient or to the Recipient's knowledge threatened, which if determined adversely, would materially and adversely affect the ability of the Recipient to carry out its obligations under this Agreement or the transactions contemplated hereunder.

Section 6. Default.

6.1 **Events of Default.** Each of the following events (hereinafter called an "Event of Default") shall be a default hereunder by the Recipient as described:

6.1.1 Failure by the Recipient to maintain its corporate existence or the declaration of bankruptcy by the Recipient.

6.1.2 The failure of Recipient to comply with Section 2 of this Agreement; and

6.1.3 The failure of Recipient to pay annual Real Estate Tax Levy.

6.2 **Effect of Event of Default.** Subject to Section 6.3 below, in the case of an occurrence of an Event of Default, the Grant provisions of Section 3 of this Agreement shall, at the City's option, terminate ninety (90) days after the City's notice to Recipient and each Mortgagee and Investor, unless Recipient cures the Event of Default to the City's satisfaction within such ninety (90) days, and neither the City nor the Authority shall have any further obligation relating thereto and the Recipient shall no longer be eligible for any Grant Payments hereunder. Notwithstanding the foregoing, Recipient's obligations hereunder will remain in force and effect throughout the Grant Period and the City shall be entitled to any remedies available at law and equity, including, but not limited to, specific performance.

6.3 Notice and Right to Cure. Written notice of any default by Recipient under this Agreement shall be provided simultaneously to any Mortgagee and Investor. Each Mortgagee and the Investor shall be permitted to cure any default by Recipient under this Agreement. Such Mortgagees and Investor shall have the same period, after the giving of such notice upon it, for remedying any default or causing the same to be remedied, as is given Recipient after the giving of such notice to Recipient, plus an additional thirty (30) days, to remedy, commence remedying or cause to be remedied the defaults specified in any such notice. If the default cannot be reasonably cured within thirty (30) days, then the Mortgagee or Investor, as applicable, shall have such additional time as it shall reasonably require so long as the Mortgagee or Investor, as applicable, is proceeding with reasonable diligence to cure the default. The City and the Authority each agree to accept payment or performance by any Mortgagee or Investor as though the same had been done by Recipient.

Section 7. Recipient Reporting.

The Recipient shall provide, at the Recipient’s expense, detailed updates and verification reasonably satisfactory to the City of the Recipient’s progress regarding the completion of Project construction and, following Project construction, of Recipient’s continued compliance with Section 2.3 of this Agreement.

Section 8. Notices.

Any notices required or permitted under this Agreement shall be given in writing and shall be deemed to be received upon receipt or refusal after the mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to the Recipient, to

with a copy to:

1903 Semmes LLC
c/o Commonwealth Catholic Charities
Housing Corporation
1601 Rolling Hills Drive
Richmond, Virginia 23229
Attention: Charles Hall

Williams Mullen
200 South 10th Street, Suite 1600
Richmond, Virginia 23219
Attention: Allison Domson

if to the City, to

Chief Administrative Officer
City of Richmond, Virginia
900 East Broad Street, 14th Floor
Richmond, VA 23219

with a copy to:

Department of Economic Development
City of Richmond, Virginia
1500 East Main Street
Richmond, VA 23219

if to the Authority, to

Economic Development Authority
of Richmond VA – Attn: Chairman
1500 East Main Street
Richmond, VA 23219

with a copy to:

City Attorney
City of Richmond, Virginia
900 East Broad Street Suite 400
Richmond, VA 23219

Recipient shall provide the City written notice of the Investor's and Mortgagee's address promptly upon confirmation of the foregoing.

Section 9. General Terms and Conditions.

9.1 Entire Agreement; Amendments; Assignments. This Agreement constitutes the entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each of the parties hereto, and subject to the prior written consent of each Mortgage and Investor. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, including, without limitation, a Mortgagee or its designee upon a foreclosure or deed-in-lieu of foreclosure of the Site or the Project; provided, however, that in no event may this Agreement or any of the rights, benefits, duties, or obligations of the parties hereto be assigned, transferred or otherwise disposed of without the prior written consent of the other, which consent neither party shall be obligated to give, except that Recipient may assign its right to receive payment to another entity authorized to transact business in Virginia by furnishing the City and the Authority with notice identifying the entity and providing both contact and payment information in a form acceptable to the City and the Authority. Notwithstanding anything to the contrary herein, (a) Recipient shall have the right to assign its interest in the Site and Project to any future owner provided the Recipient first shall have complied with the requirements set forth in Section 2.3.1 of this Agreement and shall have submitted to the City the form of all instruments by which it purports to make such assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, in which event the assignor shall be released from all obligations and liabilities under this Agreement; and (b) Recipient shall have the right to grant to a Mortgagee a security interest in, and assignment of, Recipient's rights hereunder as collateral for the loan to be provided by such Mortgagee for the development of the Project, and any action taken by such Mortgagee to realize on such security interest or assignment and performance thereafter shall be deemed permitted under this Agreement, provided the Recipient first shall have submitted to the City the form of all instruments by which it purports to grant such security interest and assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld. Neither the City's nor Authority's consent shall be required to the exercise

by Mortgagee or any assignee of Mortgagee of its right to perform Recipient's obligations hereunder after a default by Recipient under the applicable loan documents. The City agrees that Mortgagee shall not have any liability for any act or omission of Recipient hereunder and shall only be liable hereunder for obligations arising during such time as it is the owner of Recipient's interests in the Site and Project pursuant to foreclosure, deed in lieu of foreclosure or otherwise. For the avoidance of doubt, no transfer by foreclosure or deed-in-lieu of foreclosure pursuant to a Mortgage and no transfer of interests in Recipient or the exercise by Investor of its rights to remove the general partner or managing member of Recipient shall require notice to or the approval of the City or Authority.

9.2 Governing Law; Venue. All issues and questions concerning the construction, enforcement, interpretation, and validity of this Agreement, or the rights and obligations of the parties shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. All disputes, claims, and causes of action arising out of or in connection with this Agreement, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the City of Richmond, Virginia. Each party shall be responsible for its own attorneys' fees in the event of any litigation or other proceeding arising from this Agreement.

9.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

9.4 Severability. If any provision of this Agreement is determined to be unenforceable, invalid, or illegal, then the enforceability, validity, and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

9.5 Subject-to-Appropriations. All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board approval, and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available, or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's or the Authority's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

9.6 Public Disclosure.

9.6.1 Applicable Law. The parties to this Agreement acknowledge that records maintained by or in the custody of the City and the Authority are subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-90.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-37 14 and thus are subject to the records retention and public disclosure requirements set forth in those statutes.

9.6 Challenges to Nondisclosure. If a party submitting records to the City or the Authority requests that those records not be disclosed under applicable law and the City or the Authority consequently denies a request for disclosure of such records based on the submitting party's request, and the City's or the Authority's denial of a request for disclosure of records is challenged in court, the submitting party shall indemnify, hold harmless and defend the City or the Authority, their respective officers and employees from any and all costs, damages, fees and penalties (including attorney's fees and other costs related to litigation) relating thereto.

9.7 No Waiver. Neither failure on the part of the City or the Authority to enforce any covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City or the Authority to enforce the same right in the event of any subsequent default.

9.8 Effective Date of the Agreement. The effective date of this Agreement shall be the date upon which it has been fully executed by the parties following approval by the City Council and by the Authority's Board of Directors.

9.9 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.

9.10 No Third-Party Beneficiaries. Except as otherwise provided in Section 9.1 of this Agreement, the parties agree that except for any Mortgagee and Investor (i) no individual or entity shall be considered, deemed, or otherwise recognized to be a third-party beneficiary of this Agreement;

(ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, or the Recipient; (iii) no other individual or entity shall obtain any right to make any claim against the City, the Authority, or the Recipient under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity. Each Mortgagee and Investor shall be a third-party beneficiary of this Agreement.

9.11 Signature Authority. Except as specifically otherwise set forth in this Agreement, the CAO or the designee thereof may provide any authorization, approvals, and notices contemplated herein on behalf of the City.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

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

By: _____
Sabrina Joy-Hogg Date
Interim Chief Administrative Officer

Authorized by Ordinance No. _____

Approved as to Form:

By:  _____
City Attorney's Office

1903 Semmes LLC, a Virginia limited liability company

By: CCC 1903 Semmes LLC,
a Virginia limited liability company,
its Manager

By: Commonwealth Catholic Charities Housing
Corporation, a Virginia non-stock corporation, its
Manager

By: _____
Date

Name: _____
Title: _____

**ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF
RICHMOND, VIRGINIA,**
a political subdivision of the
Commonwealth of Virginia

By: _____
Chairman Date

Approved as to Form:

By: _____ General
Counsel to the Authority

EXHIBIT A

Affordable Housing Schedule

The Project shall restrict occupancy and rents to 40% AMI for two (2) applicable units, restrict occupancy and rents to 50% AMI for eight (8) applicable units, and restrict occupancy and rents to 60% AMI for ten (10) applicable units, according to standards promulgated by the State Housing Finance Agency, for a minimum of thirty (30) years.

INTRODUCED: March 10, 2025

AN ORDINANCE No. 2025-043

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Agreement between the City of Richmond, 809 Oliver Hill Way LLC, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable housing development located at 809 Oliver Hill Way. (6th District)

Patron – Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAR 24 2025 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Grant Agreement between the City of Richmond, 809 Oliver Hill Way LLC, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable housing development located at 809 Oliver Hill Way. Such Grant Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

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

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

APPROVED AS TO FORM:

CITY ATTORNEY'S OFFICE



City of Richmond

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

Master

File Number: Admin-2025-0121

File ID: Admin-2025-0121 **Type:** Request for Ordinance or Resolution **Status:** Regular Agenda

Version: 1 **Reference:** **In Control:** City Attorney

Department: **File Created:** 02/06/2025

Subject: Affordable Housing Performance Grant **Final Action:**

Title:

Internal Notes: Affordable Housing Performance Grant for 809 Oliver Hill Way LLC at 809 Oliver Hill Way

Agenda Date: 03/10/2025

Patron(s): **Enactment Date:**

Attachments: Admin-2025-0121 - 809 Oliver Hill Way Ordinance - AATF, Admin-2025-0121 - 809 Oliver Hill Way -AHPG Agreement - Final AATF **Enactment Number:**

Contact: **Introduction Date:**

Drafter: **Effective Date:**

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	2/7/2025	Merrick Malone	Approve	2/7/2025
1	2	2/7/2025	Matt Welch	Approve	2/11/2025
1	4	2/7/2025	Sharon Ebert	Approve	2/11/2025
1	5	2/7/2025	Meghan Brown	Approve	2/11/2025
1	6	2/7/2025	Sheila White	Approve	2/11/2025
1	8	2/7/2025	Sabrina Joy-Hogg	Approve	2/11/2025
1	10	2/27/2025	Jeff Gray	Approve	2/11/2025
1	11	2/28/2025	Sabrina Joy-Hogg	Approve	3/10/2025
1	12	3/3/2025	Mayor Avula	Approve	3/11/2025

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2025-0121

City of Richmond
Intracity Correspondence

O&R Transmittal
DATE: January 24, 2025

TO: The Honorable Members of City Council
THROUGH: The Honorable Dr. Danny Avula, Mayor
THROUGH: Sabrina Joy-Hogg, Interim Chief Administrative Officer
THROUGH: Sheila White, Director of Finance
THROUGH: Meghan Brown - Director of Budget and Strategic Planning
THROUGH: Sharon L. Ebert, DCAO - Planning & Economic Development Portfolio
THROUGH: Matthew Welch, Interim Director of Economic Development
FROM: Merrick Malone, Director of Housing and Community Development
RE: Approval of a Performance Grant for an Affordable Housing Development Project
ORD. OR RES. No.

PURPOSE: To authorize the Chief Administrative Officer (“CAO”) to execute for and on behalf of the City of Richmond (“City”), the Grant Agreements attached hereto by and between the City, the Economic Development Authority (“EDA”), and 809 Oliver Hill Way LLC for the purpose of facilitating the construction of an affordable housing development.

The development is located in the 6th District and will be comprised of no less than 85 affordable housing units with 44 units at 0-50% AMI and 41 units at 50-80% AMI of the Richmond-Petersburg MSA. The developer for the project is Commonwealth Catholic Charities Housing Corporation. It is expected that construction for the project will begin in 2027 and be complete in 2028.

BACKGROUND: In 2022, the Virginia General Assembly approved HB1194, which amended Ch. 49, Title 15.2 of the Code of Virginia for the purpose of authorizing industrial/economic development authorities “to make grants associated with the construction of affordable housing in order to promote safe and affordable housing in the Commonwealth.”

These Grant Agreements will induce the Recipients to construct and operate development projects (the “Project”) that will result in significant investment and economic development on the sites located at the identified addresses in Attachment A and will promote safe and affordable housing in the City, and result in substantial benefits to the welfare of the City and its inhabitants, as well as is in the public interest, and serves governmental interests:

Grant payments will be solely limited to incremental real estate tax revenues generated by the Project and received by the City and such payments will be conditioned upon the Recipients’ completion of Project construction and continued maintenance thereafter. To qualify for grant payments, the Projects each must include at least the number of residential units that restrict occupancy and rents to identified AMIs, according to standards promulgated by the State Housing Finance Agency (i.e., Virginia Housing), for a minimum of thirty (30) years. See Attachment A.

COMMUNITY ENGAGEMENT: The neighborhood associations were notified as a part of the rezoning process that allowed the rezoning from M-1 Light Industrial district to a TOD-1 Transit Oriented Development district. There were two public hearings and a committee meeting.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: This development complies with the Richmond

300 Master Plan and the Equitable Affordable Housing Plan.

FISCAL IMPACT: The one-year fiscal impact is estimated based on the projected construction costs as a proxy for the assessed value of the property at the time of the commencement of the Grant Period. The current assessed value, prior to the commencement of the Grant Period, does not account for the development of new real estate and thus under-values the true assessed value of the property at the time of commencement of the Grant Period. The true baseline for incremental tax revenues will be determined at the time of commencement of the Grant Period.

The real estate tax revenue today, based on 2025 assessed value, would be \$21,156.00 and the estimated real estate tax revenue at the time of commencement of the Grant Period would be \$339,943.99. As such the increase from the Effective Date to the first year of the Grant Period, based on the percentage of performance grant awarded, would be \$318,787.99. This is not the incremental increase that is to be paid to the grant Recipient for each year of the Grant Period. The Incremental Real Estate Tax Revenue upon commencement of the Grant Period can only be accurately determined from the true assessment value of the property at the time of the commencement of the Grant Period. Based on recent trends, it is assumed that property value assessments in the City of Richmond will continue to increase in the coming years. However, the future rate of increase is unknown at this time. This estimate was calculated at the real estate tax rate of \$1.20 per \$100 of assessed value and does not account for Special Assessment District rates.

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: March 10, 2025

CITY COUNCIL PUBLIC HEARING DATE: March 24, 2025

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

AFFECTED AGENCIES: Housing & Community Development, Economic Development, Finance, Budget, City Attorney's Office

RELATIONSHIP TO EXISTING ORD. OR RES.: N/A

ATTACHMENTS: Grant agreement

STAFF: Matthew Welch, Interim Director of Economic Development
Merrick Malone, Director of Housing and Community Development

ATTACHMENT A

GRANT AGREEMENT

This **GRANT AGREEMENT** (the “Agreement”) is made and entered this ___ day of _____, 2025 (the “Effective Date”), by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the “City”), **809 OLIVER HILL WAY LLC**, a Virginia limited liability company, or its assigns or successors (the “Recipient”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND**, a political subdivision of the Commonwealth of Virginia (the “Authority”).

RECITALS

- A. The Recipient plans to develop and operate on the Site, as defined below, the Project, as defined below.
- B. The City and the Authority have determined that the Project will result in significant investment and economic development on the Site, will promote safe and affordable housing in the City of Richmond, will result in substantial benefits to the welfare of the City and its inhabitants, is in the public interest, and serves governmental interests.
- C. The City plans to fund an economic development monetary grant (the “Grant”) by the Authority to the Recipient for the purpose of inducing the Recipient to construct and operate the Project in the City of Richmond.
- D. Payment of the Grant will be conditioned upon the Recipient’s completion of Project construction and continued maintenance of the Project, as defined herein, and the funds comprising payments of the Grant will be solely limited to a portion of the incremental real estate tax revenues for the Site generated by the Project (i.e., including both the fee interest (and leasehold interest, if applicable) in the land and all improvements), all as set forth herein.
- E. The City is authorized by Section 15.2-953 of the Code of Virginia and other laws, and the Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia and other laws to perform the activities contemplated in this Agreement. The Authority is authorized by the Code of Virginia to make grants to non-public organizations such as Recipient in furtherance of the purpose of promoting economic development and affordable housing.
- F. This Agreement sets forth the understanding of the parties concerning the Recipient’s obligations, the Authority’s obligations, and the incentives offered by the City, subject to the approval of the Authority’s Board and the Richmond City Council and subject to appropriations.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises, and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

Section 1. Preliminary Provisions

1.1 Incorporation of Recitals. The foregoing recitals are incorporated herein by reference.

1.2 Definitions. For the purposes of this Agreement, the following terms shall have the following definitions:

“AMI” means area median gross income for the Richmond-Petersburg Metropolitan Statistical Area for each applicable year of the Grant Period.

“Base Real Estate Tax Revenue” means \$21,156.00 per year, being the amount equal to the real estate taxes levied on the Site for the current tax year as of the Effective Date.

“Grant” has the meaning set forth in the recitals of this Agreement.

“Grant Payment” means, for each real estate tax year during the Grant Period, an amount equal to 100% of the Incremental Real Estate Tax Revenue for such corresponding tax year. The Parties acknowledge that the annual real estate tax levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Grant Payment” shall include payments of Incremental Real Estate Tax Revenue for each installment payment corresponding to the applicable Real Estate Tax Levy as prorated for the applicable installment period.

“Grant Payment Request” means a written request for a Grant Payment, which shall include (1) documentation showing its full payment of the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below), and (2) the amount of the requested Grant Payment and explanation of the calculation thereof (i.e., Real Estate Tax Levy *minus* Base Real Estate Tax Revenue *equals* Incremental Real Estate Tax Revenue, as pro-rated for the applicable installment period).

“Grant Period” means that certain period commencing upon January 1st of the first real estate tax year following Recipient’s completion of Project construction, as shall be evidenced by receipt of a temporary Certificate of Occupancy (“Grant Commencement Date”) and ending on last day of the thirtieth (30th) real estate tax year following the Grant Commencement Date (“Grant Expiration Date”), subject to the provisions of Section 2.6 below. The parties acknowledge that the “Real Estate Tax Levy” for the last year of the Grant Period may not be received by the City until after the Grant Expiration Date and that a Grant Payment shall be paid to the Recipient corresponding to such Real Estate Tax Levy.

“Grant Management Fee” means one-time non-refundable fee and an annual payment equal to 1% of the Grant Payment to cover the administrative expenses of the Authority for managing the Grant during the Grant Period.

“Incremental Real Estate Tax Revenue” means, for each applicable real estate tax year during the Grant Period, the amount by which the Real Estate Tax Levy exceeds the Base Real

Estate Tax Revenue provided the Recipient pays the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below). In no event shall the Incremental Real Estate Tax Revenue (or the Grant Payment) include penalties, interest, or any other charges resulting from any delinquent payment. The Parties acknowledge that the Real Estate Tax Levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein “Incremental Real Estate Tax Revenue” shall be determined based on the applicable payment (or installment) of the Real Estate Tax Levy for each applicable real estate tax year.

“Investor” shall mean that institutional tax credit investor(s) to be admitted to the Recipient as an investor member.

“Land Records” means the Clerk’s Office of the Circuit Court of the City of Richmond, Virginia.

“Maintain” means the Recipient’s continued maintenance and operation of the Project following completion of Project construction, as set forth by Section 2.3.2 of this Agreement.

“Mortgage” means any mortgage, deed of trust, deed to secure debt or other similar instrument created for the purpose of securing indebtedness of Recipient, and recorded among the Land Records, or any mortgage, deed of trust, deed to secure debt or other similar instrument created for the purposes of refinancing such indebtedness and recorded among the Land Records.

“Mortgagee” means the secured party under a Mortgage.

“Project” means a development on the Site containing not less than eighty (80) residential units, subject to income and rent restrictions as set forth in Section 2.5 and as shown on Exhibit A and monitored by the State Housing Finance Agency.

“Real Estate Tax Levy” means the amount of real estate taxes levied by the City on the Site (including both the fee interest (and leasehold interest, if applicable)) and Project (i.e., including land and all improvements) for a given real estate tax year, pursuant to Chapter 26 of the Code for the City of Richmond (“City Code”).

“Recipient” means 809 Oliver Hill Way LLC, and its successors and assigns, to the extent permitted by this Agreement.

“Site” means, collectively, 1.955 acres currently owned by COMMONWEALTH CATHOLIC CHARITIES, located at 809 Oliver Hill Way Richmond, Virginia 23219 and currently referred to in the records of the City Assessor as Parcel Nos. E0000318003.

“State Housing Finance Agency” means Virginia Housing Development Authority (doing business as Virginia Housing), a political subdivision of the Commonwealth of Virginia, or its successor.

Section 2. Recipient's Obligations

2.1 Grant Management Fee.

The Recipient shall pay annually to the Authority 1% of the Grant Payment for the duration of the Grant Period. The Authority will invoice the Recipient on or before October 1 of each year and the Recipient shall remit payment within 30 days of issuance of the invoice.

2.2 Completion of Project Construction: Timeline.

2.2.1 Plan of Development. Recipient shall submit a Plan of Development or similar submission for the Project to the City's Director of Planning and Development Review no later than twelve (12) months after the Effective Date, which Plan of Development or similar submission shall comply with the relevant provisions of the Richmond City Code and shall contain all elements of the Project as defined herein.

2.2.2 Commencement of the Project Construction. Recipient shall commence construction of the Project within twenty-four (24) months of the Effective Date, (the "Construction Commencement Date"), which shall be evidenced by the issuance of all permits necessary for the commencement of construction of the Project.

2.2.3 Completion of Project Construction. The Recipient shall complete the Project within five (5) years of the Construction Commencement Date, which shall be evidenced by the issuance of a temporary certificate of occupancy for the Project.

2.2.4 Failure to Comply. If the Recipient fails to timely comply with any of the provisions of this Section 2.2 then the City's Chief Administrative Officer ("CAO"), in his sole discretion, may either extend the time by which the Recipient must comply with the corresponding requirement or provide written notice of the City's intent to terminate this Agreement. If Recipient fails to cure its failure to comply within sixty (60) days of such written notice, then this Agreement, including all rights and obligations herein, shall, upon the City's election and subject to the rights of a Mortgagee under Section 6.3 hereof, terminate and neither the City nor the Authority shall have any further obligation to the Recipient and Recipient shall no longer be eligible for any Grant Payments hereunder.

2.3 Continued Maintenance and Operation of Project.

2.3.1 Continued Control of the Project by Recipient. Recipient shall continue to own, lease, or otherwise control the Site until completion of Project construction pursuant to Section 2.2.3 of this Agreement and thereafter shall continue to own, lease, or otherwise control the Project until expiration of the Grant Period. Notwithstanding the foregoing, Recipient may transfer the ownership or control interest in the Project to third parties ("Transferee"), and Recipient may (1) assign this Agreement, including the rights and obligations herein to such party or parties at the time it transfers ownership of the Project (including any leasehold interests), and (2) if the Agreement is assigned, Recipient shall provide the City and Authority 30 days prior written notice of its intent to transfer ownership or control of the Project, which notice shall include the contemplated date of transfer, the

name of the party or parties to which it intends to transfer, and a written statement from such party that it is aware that this Agreement, including the rights and obligations herein, will be assigned to such party. Following the transfer of ownership in the Project to the Transferee as provided above, the term “Recipient” as used herein shall mean the Transferee. For the avoidance of doubt, this Section 2.3.1 shall not apply to any transfer by foreclosure or deed-in-lieu of foreclosure or to any transfer of interests in Recipient or the exercise by Investor of its rights to remove the general partner or managing member of Recipient and any such transfer shall require notice to, but not the consent of, the City or Authority.

2.3.2 Continued Maintenance and Operation of the Project. Following the Recipient’s completion of Project construction as set forth in Section 2.1.3 of this Agreement, the Recipient, or its successors or assigns, shall continue to Maintain the Project until the expiration of the Grant Period. For the avoidance of doubt, the Recipient’s obligation to Maintain the Project includes the Recipient’s ongoing compliance with the provisions set forth in Section 2.5 (Affordable Housing) of this Agreement.

2.4 MBE Participation.

2.4.1 Goal. The Recipient agrees to diligently work towards the following goal: Where capacity, capability, and competitive pricing among minority business enterprises and emerging small businesses exist, 30% of all expenditures for construction costs of the Project that will be paid to third-party subcontractors unaffiliated with the Recipient will be spent with minority business enterprises and emerging small businesses that perform commercially useful functions with regard to the prosecution and completion of the Project. The terms "minority business enterprise" and “emerging small business” have the meaning ascribed to them in Chapter 21 of the City Code. The Recipient shall include this goal in its contracts with all assignees, contractors, and subcontractors who will be providing any portion of the Project.

2.4.2 Reporting. To enable the City to measure the achievements of the Recipient and its assignees, contractors, and subcontractors with regard to the participation goals set forth above, during the period prior to completion of Project construction, the Recipient shall submit a report upon request detailing all expenditures with minority business enterprises and emerging small businesses, showing, at a minimum, (i) the name of the business, (ii) an itemization of what the business provided, (iii) the amount paid for each item, (iv) the total amount of spending to date with minority business enterprises and emerging small businesses and (v) the percentage of total expenditures for the quarter spent with minority business enterprises and emerging small businesses. If the City chooses, the Recipient shall submit these reports on forms prescribed by the City. The City will use these reports in evaluating the good faith minority business enterprise and emerging small business participation efforts, as defined in Section 21-4 of the City Code, of the Recipient and its assignees, contractors, and subcontractors that compete for City contracts.

2.5 Affordable Housing.

The Recipient shall restrict occupancy and rents of the Project according to the schedule shown on Exhibit A, according to standards promulgated by the State Housing Finance Agency or as otherwise approved by the Authority. Ongoing compliance monitoring and approvals by the State Housing Finance Agency, as provided to the City upon the City's request, shall serve as evidence of the Recipient's compliance with this section.

2.6 Continued Investment and Capital Improvements

For purposes of continued investment and upkeep of the Project to the benefit of its tenants, payment of Grant Payments after the initial fifteen (15) years of the Grant Period shall be contingent upon receipt of proof that the Recipient has at a minimum made capital improvements to the Project in an aggregate amount of eight hundred fifty thousand and No/100 Dollars (\$800,000.00) since the Grant Commencement Date. On each fifth anniversary of the Grant Commencement Date, the Recipient shall upon request submit report of capital improvements made to the Project since the Grant Commencement Date.

Section 3. **Disbursement of Grant.**

3.1. Grant. During the Grant Period, the City shall pay to Recipient (or such party to which Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), through the Authority, the Grant Payments for such real estate tax year subject to the provisions of this Section 3.

3.2. Grant Payment Requests. The Recipient shall submit each Grant Payment Request to the CAO, with copies to the Department of Economic Development, the Authority, and the Office of the City Attorney at the respective addresses set forth in Section 8.

3.3. Disbursement of Grant Payment. Upon receipt of a Grant Payment Request, the City shall review the accuracy of the request. The City shall not make a Grant Payment if the Recipient did not make full and timely payment of the Real Estate Tax Levy for the applicable installment (except when Recipient (i) makes full payment within 60 days after the date such payment was due to the City and (ii) pays all penalties and interest for such late payment in accordance with any applicable provisions of the Richmond City Code) and shall not make a Grant Payment if Recipient is delinquent in payment of any other taxes levied by the City for the Project (except when all penalties and interest for such late payment have been paid in accordance with any applicable provision of the Richmond City Code). Within fifteen (15) business days of receipt of a Grant Payment Request, the City shall notify Recipient either that (1) the City denies the request and will not make a Grant Payment for the foregoing reasons, (2) the City approves the request and intends to make a Grant Payment in the amount requested, or (3) the City approves making a payment to Recipient but in a different amount than the amount requested because the amount requested is inconsistent with this Agreement, in which case the City shall indicate the correct Grant Payment amount it intends to make. Notwithstanding the foregoing, the City's failure to respond within fifteen (15) business days shall not constitute approval of a requested Grant Payment and the Recipient shall not be entitled to any such payment due solely to the City's failure to timely respond. Subject to any necessary City Council action,

including any necessary budget amendment or appropriation of funds, the City agrees to, within fifteen (15) business days of the City's approval of any Grant Payment, transfer the funds for the Grant Payment to the Authority. The Authority agrees to pay the Grant Payment to the Recipient (or such party to which the Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), within fifteen (15) business days of receipt of the funds from the City.

3.4 Recipient's Relief. Should the Recipient believe the City failed to comply with Section 3.3 of this Agreement, the Recipient may seek relief in accordance with Section 9.2 of this Agreement. Provided, however, Recipient's sole remedy shall be to receive payment for a Grant Payment to which it was entitled (subject to the restrictions set forth in this Agreement, including, but not limited to, Sections 3.3 and 9.5) and for which it did not receive payment.

Section 4. General Administration of Grant

4.1 The City agrees to transfer to the Authority, as and when appropriated by the City Council, the funds necessary for the Authority to meet its obligations under this Agreement relating to the Grant. No administrative fees or expenses shall be paid by the City.

4.2 The Authority's obligation to undertake the activities herein is specially conditioned upon the City providing funding on a timely basis; provided, however, the City's obligation is subject to appropriation by the City Council and availability of funds.

4.3 The Authority agrees to provide the City's Chief Administrative Officer, or the designee thereof, with copies of all documents related to this Agreement, and will keep the CAO fully and timely informed of all matters related to this Agreement.

4.4 The Authority agrees that all funds transferred by the City to the Authority for the Grant shall be deposited by the Authority within a Project Fund, to be used only to satisfy the obligations contained in this Agreement related to the Grant.

4.5 It is the intent of the parties not to impose upon the Authority any responsibility, duty, or obligation other than what may be required to implement the Grant. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. If litigation involving the Grant is initiated or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and CAO.

4.6 The Authority shall keep records of its financial transactions, if any, related to the Agreement in accordance with generally accepted accounting principles. The City Auditor or his designee may at any time audit the financial transactions undertaken under this Agreement. The Authority shall cooperate to ensure that the City Auditor is granted reasonable access on a timely basis to all books and records of the Authority necessary to complete such audits.

4.7 The Authority shall not be required to furnish the City with a blanket corporate fidelity bond with surety.

Section 5. Representations of the Recipient

51 The Recipient is empowered to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.

52 Any and all actions necessary to enable the Recipient to enter this Agreement, and to be bound hereby, have been duly taken.

53 The person or persons executing or attesting the execution of this Agreement on behalf of the Recipient has or have been duly authorized and empowered to so execute or attest.

54 The execution of this Agreement on behalf of the Recipient will bind and obligate the Recipient to the extent provided by the terms hereof.

55 There exists no litigation pending against the Recipient or to the Recipient's knowledge threatened, which if determined adversely, would materially and adversely affect the ability of the Recipient to carry out its obligations under this Agreement or the transactions contemplated hereunder.

Section 6. Default.

6.1 Events of Default. Each of the following events (hereinafter called an "Event of Default") shall be a default hereunder by the Recipient as described:

6.1.1 Failure by the Recipient to maintain its corporate existence or the declaration of bankruptcy by the Recipient.

6.1.2 The failure of Recipient to comply with Section 2 of this Agreement; and

6.1.3 The failure of Recipient to pay annual Real Estate Tax Levy.

6.2 Effect of Event of Default. Subject to Section 6.3 below, in the case of an occurrence of an Event of Default, the Grant provisions of Section 3 of this Agreement shall, at the City's option, terminate ninety (90) days after the City's notice to Recipient, each Mortgagee and Investor, unless Recipient cures the Event of Default to the City's satisfaction within such ninety (90) days, and neither the City nor the Authority shall have any further obligation relating thereto and the Recipient shall no longer be eligible for any Grant Payments hereunder. Notwithstanding the foregoing, Recipient's obligations hereunder will remain in force and effect throughout the Grant Period and the City shall be entitled to any remedies available at law and equity, including, but not limited to, specific performance.

6.3 Notice and Right to Cure. Written notice of any default by Recipient under this Agreement shall be provided simultaneously to any Mortgagee and Investor. Each Mortgagee and the Investor shall be permitted to cure any default by Recipient under this Agreement. Such Mortgagees and Investor shall have the same period, after the giving of such notice upon it, for remedying any default or causing the same to be remedied, as is given Recipient after the giving of such notice to Recipient, plus an additional thirty (30) days, to remedy, commence remedying or cause to be remedied the defaults specified in any such notice. If the default cannot be reasonably cured within thirty (30) days, then the Mortgagee or Investor, as applicable, shall have such additional time as it shall reasonably require so long as the Mortgagee or Investor, as applicable, is proceeding with reasonable diligence to cure the default. The City and the Authority each agree to accept payment or performance by any Mortgagee or Investor as though the same had been done by Recipient.

Section 7. Recipient Reporting.

The Recipient shall provide, at the Recipient’s expense, detailed updates and verification reasonably satisfactory to the City of the Recipient’s progress regarding the completion of Project construction and, following Project construction, of Recipient’s continued compliance with Section 2.3 of this Agreement.

Section 8. Notices.

Any notices required or permitted under this Agreement shall be given in writing and shall be deemed to be received upon receipt or refusal after the mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to the Recipient, to

with a copy to:

809 Oliver Hill Way LLC
c/o Commonwealth Catholic Charities
Housing Corporation
1601 Rolling Hills Drive
Richmond, Virginia 23229
Attention: Charles Hall

Williams Mullen
200 South 10th Street, Suite 1600
Richmond, Virginia 23219
Attention: Allison Domson

if to the City, to

with a copy to:

Chief Administrative Officer
City of Richmond, Virginia
900 East Broad Street, 14th Floor
Richmond, VA 23219

Department of Economic Development
City of Richmond, Virginia
1500 East Main Street
Richmond, VA 23219

if to the Authority, to

Economic Development Authority
of Richmond VA – Attn: Chairman
1500 East Main Street
Richmond, VA 23219

with a copy to:

City Attorney
City of Richmond, Virginia
900 East Broad Street Suite 400
Richmond, VA 23219

Recipient shall provide the City written notice of the Investor's and Mortgagee's address promptly upon confirmation of the foregoing.

Section 9. General Terms and Conditions.

9.1 Entire Agreement; Amendments; Assignments. This Agreement constitutes the entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each of the parties hereto, and subject to the prior written consent of each Mortgage and Investor. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, including, without limitation, a Mortgagee or its designee upon a foreclosure or deed-in-lieu of foreclosure of the Site or the Project; provided, however, that in no event may this Agreement or any of the rights, benefits, duties, or obligations of the parties hereto be assigned, transferred or otherwise disposed of without the prior written consent of the other, which consent neither party shall be obligated to give, except that Recipient may assign its right to receive payment to another entity authorized to transact business in Virginia by furnishing the City and the Authority with notice identifying the entity and providing both contact and payment information in a form acceptable to the City and the Authority. Notwithstanding anything to the contrary herein, (a) Recipient shall have the right to assign its interest in the Site and Project to any future owner provided the Recipient first shall have complied with the requirements set forth in Section 2.3.1 of this Agreement and shall have submitted to the City the form of all instruments by which it purports to make such assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, in which event the assignor shall be released from all obligations and liabilities under this Agreement; and (b) Recipient shall have the right to grant to a Mortgagee a security interest in, and assignment of, Recipient's rights hereunder as collateral for the loan to be provided by such Mortgagee for the development of the Project, and any action taken by such Mortgagee to realize on such security interest or assignment and performance thereafter shall be deemed permitted under this Agreement, provided the Recipient first shall have submitted to the City the form of all instruments by which it purports to grant such security interest and assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld. Neither the City's nor Authority's consent shall be required to the exercise by Mortgagee or any assignee of Mortgagee of its right to perform Recipient's obligations hereunder after a default by Recipient under the applicable loan documents. The City agrees that Mortgagee shall not have any liability for any act or omission of Recipient hereunder and shall only be liable

hereunder for obligations arising during such time as it is the owner of Recipient's interests in the Site and Project pursuant to foreclosure, deed in lieu of foreclosure or otherwise. For the avoidance of doubt, no transfer by foreclosure or deed-in-lieu of foreclosure pursuant to a Mortgage and no transfer of interests in Recipient or the exercise by Investor of its rights to remove the general partner or managing member of Recipient shall require notice to or the approval of the City or Authority.

9.2 Governing Law; Venue. All issues and questions concerning the construction, enforcement, interpretation, and validity of this Agreement, or the rights and obligations of the parties shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. All disputes, claims, and causes of action arising out of or in connection with this Agreement, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the City of Richmond, Virginia. Each party shall be responsible for its own attorneys' fees in the event of any litigation or other proceeding arising from this Agreement.

9.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

9.4 Severability. If any provision of this Agreement is determined to be unenforceable, invalid, or illegal, then the enforceability, validity, and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

9.5 Subject-to-Appropriations. All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board approval, and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available, or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's or the Authority's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

9.6 Public Disclosure.

961 Applicable Law. The parties to this Agreement acknowledge that records maintained by or in the custody of the City and the Authority are subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-90.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-37 14 and thus are subject to the records retention and public disclosure requirements set forth in those statutes.

962 Challenges to Nondisclosure. If a party submitting records to the City or the Authority requests that those records not be disclosed under applicable law and the City or the Authority consequently denies a request for disclosure of such records based on the submitting

party's request, and the City's or the Authority's denial of a request for disclosure of records is challenged in court, the submitting party shall indemnify, hold harmless and defend the City or the Authority, their respective officers and employees from any and all costs, damages, fees and penalties (including attorney's fees and other costs related to litigation) relating thereto.

9.7 No Waiver. Neither failure on the part of the City or the Authority to enforce any covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City or the Authority to enforce the same right in the event of any subsequent default.

9.8 Effective Date of the Agreement. The effective date of this Agreement shall be the date upon which it has been fully executed by the parties following approval by the City Council and by the Authority's Board of Directors.

9.9 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.

9.10 No Third-Party Beneficiaries. Except as otherwise provided in Section 9.1 of this Agreement, the parties agree that except for any Mortgagee and Investor (i) no individual or entity shall be considered, deemed, or otherwise recognized to be a third-party beneficiary of this Agreement;

(ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, or the Recipient; (iii) no other individual or entity shall obtain any right to make any claim against the City, the Authority, or the Recipient under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity. Each Mortgagee and Investor shall be a third-party beneficiary of this Agreement.

9.11 Signature Authority. Except as specifically otherwise set forth in this Agreement, the CAO or the designee thereof may provide any authorization, approvals, and notices contemplated herein on behalf of the City.

SIGNATURE PAGE TO FOLLOW


IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

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

By: _____
Sabrina Joy-Hogg Date
Interim Chief Administrative Officer

Authorized by Ordinance No. _____

Approved as to Form:

By:  _____
City Attorney's Office

809 OLIVER HILL WAY LLC,
a Virginia Limited Liability Company
By: CCC 809 Oliver Hill Way LLC,
a Virginia limited liability company,
its Manager

By: Commonwealth Catholic Charities
Housing Corporation, a Virginia
nonstock corporation, its Manager

By: _____
Date

Name: _____
Title: _____

**ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF
RICHMOND, VIRGINIA,**
a political subdivision of the
Commonwealth of Virginia

By: _____ Chairman

Approved as to Form:

By: _____ General
Counsel to the Authority

EXHIBIT A

Affordable Housing Schedule

The Project shall restrict occupancy and rents to an income designation of 40% of AMI for fifteen (15) of the applicable units, restrict occupancy and rents to an income designation of 50% of AMI for twenty-five (25) of the applicable units, and restrict occupancy and rents to an income designation of 60% of AMI for forty (40) of the applicable units according to standards promulgated by the State Housing Finance Agency, Virginia Housing Development Authority, for a minimum of thirty (30) years.

Loan Request of Maynes and Lee LLC