CITY OF RICHMOND

Housing &
Community Development

Affordable Housing Trust Fund

GUIDELINES

November 1, 2026 – May 31, 2027

Merrick Malone, Esq., Director
1500 E Main St. Suite300, Richmond, VA 23219
https://rva.gov/housing-and-community-development

Contents

Purpose 3
Schedule 3
Projects That Can Be Funded 3
Minimum Requirements 3
Funding Options 4
Ineligible Uses 5
Applicants 5
Staff Consultations & Technical Assistance 5
Application Submission 5
Application Review Timeline 7
Application Review Process 7
Evaluation Criteria 10
- **Planning Approval** (Mandatory Requirement) 11
- **Income Targeting** (Mandatory Requirement) 11
- **Developer Experience** (Mandatory Requirement) 11
- **Funding Commitments** (Mandatory Requirement) 11
- **Sustainability Features** (Mandatory Requirement) 11
- **Universal Design** (Mandatory Requirement) 12
- **Energy Star Appliances** (Bonus Points Category) 13
- **Proximity to Community Amenities** (Bonus Points Category) 13
- **Permanent Supportive Housing** (Bonus Points Category) 13
- **Housing for Special Needs Populations** (Bonus Points Category) 13
- **Right of First Refusal** (Bonus Points Category) 14

Definitions & Documentation Requirements 15

Purpose

Per Richmond City Code Sec. 16-53:

> *The purpose of the fund shall be to aid in meeting the needs of low- and moderate-income households in the city by providing loans and grants to for-profit and nonprofit housing developers and organizations for the acquisition, capital and other related costs necessary for the creation and preservation of affordable rental and owner-occupied housing in the city in accordance with Code of Virginia, § 15.2-958.5.*

To date, Richmond's Affordable Housing Trust Fund has provided subsidy to support projects throughout the City of Richmond.

- Three new construction, single-family homeownership projects, $775,000 (13 units)
- 23 new construction multifamily rental projects, $20M (1,706 units)
- Six multifamily rehab/preservation projects, $2.2M (229 units)

Schedule

October 22	AHTF Board Meeting
October 26	Applications & Guidelines posted at RVA.gov
October 28	Virtual Training
November 1	FY27 Open Round begins
May 31, 2027 @ 11:59p	Open Round ends

Projects That Can Be Funded

Funding (Sec. 16.53) must be used for the following:

1. The construction and substantial rehab of affordable for sale or rental housing in mixed-income neighborhoods
2. The substantial rehab of owner-occupied homes or multifamily buildings in communities with higher-than-average City foreclosure rates or number of blighted properties. Awards are specific to individual street address.
3. The adaptive reuse of buildings for affordable housing

Single Room Occupancy (SRO) projects are permitted, efficiency units wherein each household is subject to a twelve-month lease, and each unit has a kitchen and/or a full bathroom.

Minimum Requirements

The following are minimum requirements for all applicants.

- Planning approval (for the project) or submission of an application for planning approval.

- Applicant must be a single-asset (rental) or single-purpose entity (homeownership).
- Site control must be in the name of the applicant entity. Future transfers to the owner and site control in the name of a closely related party are not sufficient.
- Applicants must agree to a minimum 15-year affordability period.
- Projects must target low-income (30% - 59% AMI) and/or moderate-income households (60% - 80% AMI).
- Projects must incorporate *Universal Design* principles.
- Projects must promote energy efficiency.
- Projects must leverage funds from other, non-City sources.
- Construction/rehab must be completed by a contractor, licensed to do business in the City of Richmond.

Funding Options

Funding will be in the form of short-term, below-market rate loans and grants, sized according to risk and based on funds available.

1. Acquisition Loan - up to 18 months - funds the acquisition and site preparation for the construction/rehab of affordable housing; repaid with takeout construction financing - payable on demand or within 18 months

2. Pre-development Loan – up to $450,000 – up to 24 months - funds required to prepare project site for construction including, but not limited to, architectural services, engineering services, attorneys' fees, appraisals and title reports; repaid with takeout construction/permanent financing - payable on demand or within 24 months

3. Construction Loan – 12 – 36 months - funds on-site project construction; repaid with takeout permanent financing - payable on demand or within 36 months

4. Gap Financing – up to 48 months - short-term, flexible financing to cover acquisition, rehab, or construction - repaid with takeout permanent financing - payable on demand or within 48 months

5. Strategic Initiative Grant (mission-aligned capital)

   Single-family Homeownership – construction cost subsidy applied against the final cost of construction for newly constructed or substantially rehabbed homeownership units for households with incomes ≤ 80% AMI. Subsidy applied at Buyer's Closing.

Multifamily Rental - subsidy for the rehab/new construction of rental units for households with incomes ≤ 30% AMI. Greater of 5 units or 10% of total units.

Ineligible Uses

The following list is not absolute.

- Builder's Profit
- Construction Management Fees
- Consultant fees
- Contingencies (hard/soft costs)
- Delinquent Taxes, Fees or Penalties
- Developer Fees
- Finance Fees
- Housing-Support Services
- Non-affordable Units
- Operational & Administrative Costs
- Operating Expenses
- Project Reserves
- Social Services
- Syndication Fees

Applicants

The following organizations can apply:

- **Non-profit housing developers** – 501(c)(3) or 501(c)(4) organizations which primary purpose is to develop affordable housing
- **For-profit housing developers** – private companies which primary purpose is housing development
- **Community Housing Development Organizations (CHDOs)** – private, non-profit, community-based organizations experienced in housing development in the Richmond MSA
- **Community-Based Development Organizations (CBDOs)** - a local organization working to improve the physical, social, and economic conditions of a specific community, including developing affordable housing

Staff Consultations & Technical Assistance

Staff are available to discuss proposed projects, the application process, and program information by phone, via TEAMS (virtual) or in person. Email meeting requests to HCD@rva.gov.

For language assistance, please contact the Office of Multicultural Affairs at (804) 646-0145.

Application Submission

Please read this document carefully before submitting the application. Also, check R-HCD's website regularly for updates, corrections, or posted questions and answers regarding these guidelines.

There are three applications as follows. Complete the appropriate application.

- Application – Multifamily Rental Projects
- Application - Single-family Homeownership

The application and attachments must be submitted electronically. Applications that are deemed incomplete will not be processed.

To complete your application:

A. Access the Excel application from our web page at *RVA.gov/Housing&CommunityDevelopment/AHTF/Information & Applications*

B. Complete all applicable sections of the Excel application.

C. Compile all supporting documents (see below).

D. Label files as follows (# and document name):

1. Excel Application
2. Site Control documentation (must be in the name of the applicant and must reference all parcels in the development)
3. By-right Zoning documentation **or** Planning Approval for Special Use Permit (SUP)
4. Current Real Estate Assessment
5. Single-asset Entity (SAE) Operating Agreement/LPA (in applicant's name)
6. SCC *Certificate of Incorporation* or similar documentation (in applicant's name)
7. Funding Commitments (tentative)
8. Org Chart and Development Team Resumes
9. Financial Statements & Tax Returns
10. Applicant's Non-Profit Status documentation, if applicable
11. Sustainability & Universal Design
    - Evidence of Enrollment in Green Building Program (if applicable)
    - List of project's RVAgreen 2050 elements (showing substantive compliance)
    - List of Project's Universal Design elements
12. Location Maps (proximity to public transit, grocery store, and pharmacy)
13. Project Design Specs
14. Permanent Supportive Housing (PSH)/Special Needs Population documentation, if applicable
15. Right of First Refusal (ROFR) documentation
16. Homebuyer Qualification Program description

Documentation instructions can be found in the *Definitions & Documentation Requirements* section at the end of this document.

R-HCD reserves the right to request additional documentation and clarification, when needed.

After you have gathered all requested documentation:

E. Request a 'submission link' by emailing Jaynell.Pittman-Shaw@rva.gov
F. Upload the Excel application and project documents (individual files, numbered) to the provided link.
G. Notify R-HCD contact that the complete application packet has been uploaded.

Application Review Timeline

The following timeline is estimated and dependent on R-HCD promptly receiving information and documents from the applicant.

Activity	Schedule Date
Threshold Review	Up to 2 weeks
Underwriting	Up to 4 weeks
Award	Within 1 week of underwriting completion

It is the responsibility of the applicant to submit outstanding documentation to R-HCD in a timely manner. Not doing so will delay processing of your application.

Application Review Process

1. Threshold Review

   Applications are reviewed for completeness and compliance with the minimum eligibility requirements outlined in these program guidelines. This includes confirming that the proposed project meets program qualifications, the Excel application is filled out in its entirety, and all required documentation has been submitted. Incomplete applications will not be processed.

2. Scoring and Ranking

   All applications must meet Minimum Threshold Requirements, i.e., a minimum score of 100. Meeting the Minimum Threshold score does not guarantee funding. Awards also consider the availability of funds and project impact.

   Scoring is competitive and comparative, meaning applications are evaluated not only on their individual merits but also as compared to other similar applications reviewed by R-HCD.

Waitlist

Projects that are underwriting approved will be placed on the Waitlist and funded in order of approval. Projects remain in 'Approved' status for up to six months on the Waitlist.

If the award request for the next eligible project on the Waitlist exceeds available funding, R-HCD may offer partial funding to the next eligible project or award the next project on the list whose request does not exceed available funding.

The waitlist will be active until all funds are committed.

3. Underwriting

Underwriting will assess the financial feasibility of the applicant and project. In addition to initial documents, the following are required to complete underwriting.

17. Market Study, if applicable
18. Appraisal (land acquisition, donated property, construction-to-permanent loan underwriting, etc.)
19. Income verification requirements and SAMPLE Homebuyer Purchase Agreement (Single-family projects ONLY)
20. Capital Needs Assessment (Rehabs ONLY)
21. Relocation Plan & Budget (Rehabs ONLY)
22. Non-City Executed Funding Agreement(s)
23. Executed Rental and/or Operating Subsidy Agreement(s)
24. Applicant's City of Richmond Supplier Registration

NOTE: Each document must be an individual file/folder, numbered and labeled as above.

Underwriting is not complete until all documentation requested by R-HCD for Closing has been submitted.

'On Hold' Status

At its sole discretion, R-HCD may place a project *on hold,* including after financing is committed, if:

- It is determined that any principal or any related entity is involved in litigation with the City of Richmond, owes taxes to the City of Richmond or has an open code violation
- It appears that construction will be delayed more than 90 days beyond the agreed upon start date
- Another city-funded project by the same developer is stalled or underperforming

R-HCD is not obligated to reserve or preserve funds for projects *on hold*. Projects *on hold* are not eligible for funding unless and until all identified issues are resolved. When a project is placed *on hold*, R-HCD may fund the next eligible project on the wait list.

4. Award (Formal Commitment of Funds)

   After the project is deemed eligible for an award and underwriting is completed, R-HCD will issue a formal commitment for funds in the name of the applicant, as well as loan documents and payment(s) will be in the name of the applicant.

   Awards will be adjusted or recalled (and the applicant will be required to repay the R-HCD determined amount) if significant changes to the project occur post award, including a reduction in the number of units, a change in the affordability percentage of the project, and not providing final documentation for items for which the application received points (i.e., 'green building' certification, Energy Star appliances Certification, PSH Certification, etc.).

   If after receiving an award the applicant requests additional funds for the same project, the applicant must:

   a. Return/nullify its previous award;
   b. Apply/re-compete under the requirements of the current round of funding; and
   c. Receive a new award

5. Closing

   Before funds are paid by R-HCD, the applicant must finalize all legal documents with the City Attorney.

6. Project Construction

   After Closing, the project must begin construction in accordance with the approved schedule, scope of work and plans. R-HCD will monitor progress through site visits, status reports, and draw requests to ensure timely delivery and compliance with loan agreements.

7. Program Compliance

   The compliance period begins with construction completion and extends through the 15-year AHTF affordability period. In addition to requirements set forth in the Loan Agreement, AHTF fund recipients must provide the following reports to R-HCD.

   A. Quarterly Reports from Borrowers

      During the construction period, AHTF fund recipients are required to submit quarterly reports to R-HCD to note the progress of project construction. Reports are due no later than the 15th of the month following the quarter reported.

B. Final Report

After construction is completed, AHTF fund recipients must provide a *Final Report*. The *Final Report* includes:

- A financial statement reflecting all expenditures of loan funds by the Borrower
- A permanent Certificate of Occupancy or Certificate of Substantial Completion from the project's architect or contractor.
- A narrative report describing the Project and a description and explanation of how the use of the Loan funds contributed to the goals of the Project.
- Project photographs (up to 5)

C. Annual Affordability Certification

AHTF fund recipients must provide annual certifications of compliance with all applicable affordability requirements. Certifications are due by January 15. Recipients can complete R-HCD's *Owner's Annual Owner's Certification of Program Compliance* or provide a copy of the executed NCSHA Owner's Certificate of Continuing Program Compliance provided to Virginia Housing (if LIHTC).

Evaluation Criteria

Threshold is determined using the following categories:

	MANDATORY ITEMS
15	Planning Approval
15	Income Targeting (30% AMI - 80% AMI)
25	Developer Experience
15	Funding Commitments
	Sustainability
15	Green Building Program **OR**
15	RVA Green 2050 features
15	Universal Design

	BONUS POINTS
10	100% Energy Star appliances
	Proximity to Community Amenities
20	Proximity to Public Transit (</= .25 mi.)
25	Proximity to Grocery/Drug Store (</= .5 mi.)
10	Permanent Supportive Housing
15	Housing for Special Needs
20	Right of First Refusal (ROFR)

110 Minimum Threshold
100 Total Bonus Points

Planning Approval (Mandatory Requirement)

At the time of application, projects must have planning approval in place or have submitted their project application for planning approval. If a request for *Planning Approval* has been submitted, but not approved, include evidence of submission.

To qualify for 15 points, provide the Planning Approval Letter or proof of submission, *Conditions of Approval*, and any extensions to planning approvals for the project.

Income Targeting (Mandatory Requirement)

Program participation requires that at least 20% of total project units must target households earning ≤ 80% AMI.

Developer Experience (Mandatory Requirement)

Points are awarded to applicants that, within the past three years, have completed construction of and have in good standing at least one project similar to the project described in its current application. Experience is also assessed in terms of the financial capacity of the applicant.

To qualify for up to 25 points, complete the 'Experience' tab of the Excel application and provide the most recent three years of financial statements and tax returns for the majority interest ow(s).

Funding Commitments (Mandatory Requirement)

To qualify for 15 points, describe non-City funding commitments secured (see Excel application).

Land donations must be included as a source of funds (*Sources & Uses* tab of the R-HCD Excel application), as well as be included as an acquisition cost on the *Budget tab* of the R-HCD Excel application.

Sustainability Features (Mandatory Requirement)

1. To qualify for 15 points, projects must demonstrate proof of compliance with an accepted green energy building program, such as EarthCraft Multifamily and LEED. Evidence of compliance includes, but is not limited to:

    - ✓ pre-building approval by the rating agency
    - ✓ a completed certification checklist from the designated agency
    - ✓ scoring spreadsheet provided by the rating agency

Final program certification documentation must be submitted to R-HCD at construction completion.

OR

2. Projects that demonstrate proof of compliance with the City of Richmond's Sustainable Design Standards (RVAgreen 2050), "Measures to reduce the energy burden of Richmond's most vulnerable communities and improve residential resilience to climate change."

   To qualify for 15 points, list features that demonstrate how the project furthers the objectives of *RVAgreen 2050*. The following list, which is not exclusive, gives examples of how projects can meet the objectives of *RVAgreen 2050*.

   - On-site renewable energy
     - ✓ Solar panels
     - ✓ Wind turbines
     - ✓ Geothermal systems can provide sources
   - Natural ventilation
   - Air Treatment (Filtration)
   - Daylighting and Controls
   - Low-flow toilets, faucets, and shower heads
   - Hot water recirculation systems
   - Water Metering
   - Water Capture and Reuse, such as rainwater harvesting (for non-potable uses like irrigation and toilet flushing)
   - Acoustics - designing the building to minimize noise

Universal Design (Mandatory Requirement)

Universal Design is defined as the design of products and environments for use by everyone, regardless of age, ability, or situation, without the need for adaptation or specialized design. Examples include, but are not limited to:

- Curb cuts
- Zero-step entrances
- Lever door handles
- Automatic doors
- Multi-sensory alarms
- Grab bars
- Slip-resistant floors
- Walk-in or roll-in showers
- Adjustable showerheads
- No-step entries
- Wide doorways (32" to 36")
- Wide hallways (36" to 45")
- Flush thresholds
- Lever door handles
- Rocker light switches
- Smart thermostats (clear, large digital screens and simple temperature controls)

Points are awarded to projects described by the applicant as having at least one Universal Design feature.

To qualify for 15 points, list at least one Universal Design feature that will be included at the project. *Disbursement of funds will require pictures as proof of Universal Design.*

Energy Star Appliances (Bonus Points Category)

To qualify for 10 points, provide a statement that 100% of the appliances to be used at the project will be Energy Star. *Disbursement of funds will require proof of purchase for all units.*

Proximity to Community Amenities (Bonus Points Category)

Points are awarded to projects near public transportation, a full-service grocery store and/or a pharmacy.

A. Proximity to Public Transportation

- 20 points - within ¼ mile of a High Frequency Transit stop

B. Proximity to Full-Service Grocery or Pharmacy

- 25 points - within ½ mile of a full-service grocery store or pharmacy

Permanent Supportive Housing (Bonus Points Category)

Permanent Supportive Housing (PSH) pairs permanent housing with voluntary, wraparound support services for individuals experiencing homelessness and/or who have disabilities (Source: HUD). Residents hold their own standard leases, can stay as long as they want, and there are no pre-conditions for move-in (i.e., sobriety, mandatory treatment, etc.). While case management and/or other services are offered, participation cannot be a condition of housing.

To qualify for 10 points, provide either of the following:

- A letter of support from the local Continuum of Care
- Signed contracts or MOUs with appropriate service providers
- A commitment letter or a board resolution (if Owner is a direct service provider)

Housing for Special Needs Populations (Bonus Points Category)

Housing for Special Needs is an umbrella term for housing designed or modified to accommodate specific physical, mental, or developmental populations (Source: HUD). Housing is provided to a broad range of individuals who require specialized environments, including seniors, veterans, youth aging out of foster care, or those with physical or intellectual disabilities. The length of stay varies

widely and can include transitional housing and permanent specialized communities. Residents are subject to specific program rules and/or prerequisites, with services that are highly customized depending on the population served (i.e., daily living assistance (ADL), intensive behavioral supervision, 24-hour non-medical supervision, etc.).

Fifteen (15) points are awarded to projects with a unit set aside. Submit the following:

- A narrative describing the population to be served, the number of units to be set aside, and the target population selection process.
- Signed contracts or MOUs with appropriate service providers
- A commitment letter or a board resolution (if Owner is a direct service provider)

Providing accessible units alone is not sufficient for points.

Right of First Refusal (Bonus Points Category)

Twenty (20) points are awarded if the non-profit has secured a right-of-first refusal (ROFR) to purchase the project at the end of the LIHTC compliance period or upon the sale of the property (non-LIHTC projects).

To receive points, provide:

1. An executed Right of First Refusal Agreement
2. A description of the non-profit's participation in the applicant project
3. IRS Form 990 - most recently filed - financial activity must be commensurate with the role of the organization in the applicant project.

Definitions & Documentation Requirements

documentation requirements in 'blue'

Adaptive Reuse - changing the previous use of a structure (i.e., warehouse, school, church, etc.) into housing. For development purposes, this is 'new construction'.

Affiliate - an individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other entity that directly, or indirectly through one or more intermediaries, is controlled by, or is under common control with any other person. All entities that share a principal are Affiliates.

Affordability Period - the period that units must remain affordable; minimum of 15 years for AHTF

Applicant – single-asset entity (SAE) applying for an AHTF award. Submit an SCC Certification (or similar document) as proof that the applicant/ownership entity is admitted to record in and is authorized to transact business in Virginia. To receive funding, the applicant entity must also be registered to do business with the City of Richmond (Virginia). The award will be made in the name of the ownership entity.

Appraisal - an appraisal is needed for:

- land acquisition
- donated property
- construction-to-permanent loan underwriting
- refinancing or disposition
- material collateral decisions (i.e., additional debt approval, property sale/transfer)

R-HCD may require an independent appraisal at any stage of the application, underwriting, approval, closing, or administration of a multifamily affordable housing loan when necessary to address material underwriting concerns.

Appraisals required for final underwriting shall reflect applicable affordability restrictions and clearly identify the valuation premise, including as-is, as-completed, or stabilized value, as applicable.

Appraisals shall supplement and not replace R-HCD's review of development costs, operating projections, debt capacity, sources and uses, and the demonstrated need for public subsidy.

Appraisals can be no older than 12 months at the time of review (i.e., the Effective Date of the appraisal is the Site Inspection Date).

Area Median Income (AMI) - AMI is the midpoint of a specific area's income distribution, calculated annually by HUD. Click here for 2026 Adjusted HOME Income Limits.

Control (including the terms "Controlling" and "Controlled by" and/or "under common Control with") - the power, ability, or authority, acting alone or in concern with others, directly or indirectly, to manage, direct, superintend, restrict, regulate, govern, administer, or oversee

Developer Experience – provide:

1. Organizational chart depicting the ownership structure, including each principal of the Owner. Non-profits and PHAs are only required to list the name of the executive director or CEO
2. Partnership Agreement or Operating Agreement
3. Resumes for the following development team members:
    - Principals of the ownership entity
    - Syndicator/Investor
    - Architect(s)/Engineer(s)
    - General Contractor
    - Property Management Agent

Financial Statements & Tax Returns - must be complete, accurate, and signed. Compliance requires an individual or entity for which financial capacity can be determined (i.e., income stability, profitability and liquidity). Underwriting approval requires consistency between tax filings and interim internal statements, favoring accrual-basis reporting for business entities.

- **Completeness:** Must include all schedules, forms, K-1s, and 1099s.
- **Signature:** Personal and business tax returns must be signed and dated.
- **Verification:** Often accompanied by an IRS Form 4506-C for tax transcripts, allowing the lender to verify that the submitted documents match those filed with the IRS.
- **Age:** If the current year's return is not yet filed, an extension (Form 4868 or 7004) and the previous two years' returns are required.
- **Interim Statements:** If the application is made more than 90 days (or three months) into the new year, a Year-to-Date (YTD) Profit & Loss (P&L) statement and Balance Sheet are required.
- **Consistency:** The YTD P&L must align with the submitted tax returns. Major discrepancies will cause delays or rejection.
- **Format:** While internally generated statements are acceptable, CPA-prepared (compiled, reviewed, or audited) statements are preferred.

Full-Service Grocery Store - a large retail establishment that offers a wide variety of food and household products, including fresh produce, meats, dairy, and packaged goods, along with various service departments like a deli, bakery, or pharmacy.

General Contractor – manages and executes the project's on-site construction, coordinating subcontractors, materials, and the construction schedule.

High Frequency Transit - accessible, public transportation where the frequency of departures and arrivals is no more than every 30 minutes.

Identity of Interest - any relationship based on family ties or financial interests between or among two or more entities involved in a project-related transaction which reasonably could give rise to a presumption that the entities may not operate at arms-length. Complete the Identity of Interest (IOI) matrix in the Excel application. An identity of interest relationship will be deemed to exist if any of the following apply:

1. An entity, or any owner of any direct or indirect ownership interest in such entity, or any family member of any such owner is also an owner, through a direct or indirect ownership interest, or an officer, director, stockholder, partner, trustee, manager, or member of the counterparty/other entity; or
2. Any officer, director, stockholder, partner, trustee, manager, member, principal staff, contract employee or consultant of an entity, or any family member of thereof, is an owner, through any direct or indirect ownership interest, or an officer, director, stockholder, partner, trustee, manager or member of the counterparty/other entity. For purposes of this definition, "family member' means the spouse, parents or stepparents, children or stepchildren, grandparents or step-grandparents, grandchildren or step-grandchildren, aunts, uncles, parents-in-law, and siblings-in-law (or their children or stepchildren). It also includes any other similar relationship established by operation of law, including but not limited to guardianship, adoption, foster parents, etc.

Market Study

When Is a Market Study Needed?	What Should Be Included?
Distressed Or Underperforming Property	Market analysis to identify causes of weak performance and realistic stabilization assumptions
Large/Phased Development	Comprehensive market study, including absorption and competing pipeline analysis
Multifamily New Construction	Independent market study before final funding commitment
Refinancing Of A Stabilized Property	Existing rent roll, occupancy, collections, and market data; formal study if material concerns exist
Senior, Supportive, or SNH	Market study specific to the target population and services
>10% Change In Unit Mix Or Affordability Levels	Updated market assessment or study

The market study must address demand for the project's specific affordability levels, as well as the following:

1. Unit Mix and Target Population: whether the proposed bedroom sizes, unit counts, and affordability levels align with documented demand.
2. Demand and Demographics: household growth, income distribution, renter households, and unmet housing needs in the project's market area.
3. Competitive Supply: existing comparable properties, planned developments, units under construction, and competing affordable housing.
4. Rents and Affordability: achievable rents by unit type and AMI band, including applicable utility allowances and rental assistance.
5. Occupancy and Absorption: projected lease-up pace, realistic, stabilized occupancy, and the time needed to reach stabilization.
6. Market Risks: rent competition, economic conditions, future supply, and other factors that could affect occupancy and financial performance.

Owner - the entity that owns a project or expects to acquire control of a project under a purchase contract or ground lease. The owner is the legal "borrower" on the mortgage and the entity that ultimately possesses the asset.

Principal – Guarantor - a primary decision-maker, high-level equity owner, or individual with a direct or indirect ownership/control stake in the owning entity or sponsor organization; individual with ≥ 25% interest ownership (in the project)

Project Design – provide at application – if available:

- Site plan with building footprints for all buildings
- Unit plans
- Floor plans
- Building elevations

Homeownership projects must show the individual home lots.

Project Team - any person who has a role in the construction, rehab or management of the proposed project

Public Park - land owned or managed by the city or other locality, whether located inside or outside the city limits, that is planned, developed or used for active or passive recreational use by the public.

Relocation Plan and Budget (Rehab and RRHA only) – provide:

1. A HUD-approved relocation plan will satisfy this requirement for RRHA redevelopment projects.
2. All relocation plans must provide reasonable notice to affected tenants.
3. If the project calls for the permanent relocation of tenants (whether subject to URA requirements), the Relocation plan must:

    - compensate the affected tenants (follow URA requirements);
    - cover all reasonable out of pocket costs; and
    - meet all applicable federal, state, or local laws relating to displacement of tenants.

    On-site Relocation - provide a chart or simple narrative describing how residents will be relocated

    Off-Site Relocation - provide a narrative Relocation Plan

Single Asset Entity - a separate legal structure, usually a limited liability company (LLC), created to own only one specific piece of real estate and no other business assets.

Single Purpose Entity - a legal entity, like an LLC or corporation (via Virginia SCC), created to isolate a specific asset or transaction from a parent company's broader operations, thereby limiting financial and legal risks to only that project.

Site Control

Provide the most current real estate tax assessment. In addition:

1. The applicant must demonstrate that it has control of the site and that it will maintain site control until the land is acquired through one of the following:
    - Grant Deed evidencing fee title ownership
    - Purchase agreement, including evidence that the agreement be of a term sufficient to hold the property until the anticipated date of purchase
    - Option to purchase or lease, including evidence that options are renewable until the start of construction

- Long-term lease agreement
- Executed land sales contract or other enforceable agreement for acquisition

2. Site control must be in the name of the applicant entity. Future transfers to the owner and site control in the name of a closely related party are not sufficient.
3. Site control documentation must reference all parcels in the development.

Special Needs Populations

- Households in which there is at least one individual with alcohol and/or drug addictions
- Persons with disabilities
- Young adults aging out of foster care
- Persons protected by the Violence Against Women Act Protections (domestic violence, dating violence, sexual assault, and stalking)
- Persons with HIV/AIDS
- Homeless persons
- Veterans
- Wounded warriors (as defined by the Caring for Wounded Warriors Act of 2008)
- Formerly incarcerated persons

Sponsor (Developer) – initiates, finances, and manages a project from concept to completion, taking on the financial risk and bearing responsibility for land acquisition, zoning, and overall project strategy; earns a developer fee

Substantial Rehab: Multifamily – includes the replacement of at least three Primary Systems or one Structural Component and two Primary Systems. Costs **must** be supported with a 3rd party Capital Needs Assessment (CNA).

Structural Component Examples

- Roof
- Foundation
- Floors
- Sills - horizontal members at the base of a window opening
- Load-bearing Walls
- Columns - support and transfer loads to the foundation
- Beams - support floors and walls and transfer loads to columns or other supports

Primary Systems

- Doors and Windows
- Stairs and rails
- Non-Load Bearing Walls

- Plumbing
- Electrical
- HVAC

Substantial Rehab: Single-family – includes the following scope of work (SOW). Costs **must** be supported with a 3rd party Capital Needs Assessment (CNA).

1: Critical Safety and Exterior

- Roof replacement
- Chimney repair/closure
- Replace siding and siding insulation
- Storm window installation
- Install gutters with guards
- Repair/replace downspouts
- Secure exterior doors
- Close exterior penetrations
- Regrade soil (to protect foundation)
- Attic/crawlspace/basement insulation: top off or replace inefficient insulation

2: Mechanical

- HVAC replacement (energy-efficient)
- Water heater replacement (or warranty to replace within 10 years)
- Electrical panel audit; update, if necessary.
- Plumbing inspection: Inspect supply lines, valves, and main shutoffs for corrosion.
- Plumbing replacement: faucets, toilets

3: Cosmetic Improvements

- Updated Kitchen: cabinets, countertops, new Energy Star appliances, hardware, and fixtures
- Updated Bathroom: walk-in shower, new toilet(s), vanity, countertops, fixtures, and cabinet hardware
- All new/restored flooring
- Interior paint: Refresh walls, trim, and ceilings
- Landscaping