

**PETERSBURG REDEVELOPMENT AND HOUSING AUTHORITY**

**MULTI-FAMILY TAX EXEMPT**

**MORTGAGE REVENUE**

**BOND PROGRAM**

128 S. Sycamore St.  
Petersburg, VA 23803  
[petersburgrha.org](http://petersburgrha.org)

## **PETERSBURG REDEVELOPMENT AND HOUSING AUTHORITY**

### **General Information on Multifamily Tax Exempt Financing**

The Petersburg Redevelopment and Housing Authority (PRHA) is a conduit issuer authorized under state and federal law to issue tax-exempt bonds for multifamily rental housing projects. The Authority considers applications for tax-exempt bond financing for qualified housing developments needed to fund loans to for-profit and nonprofit developers for the acquisition and rehabilitation or new construction of affordable rental developments. These projects are not owned, operated nor managed by the Authority. In addition, the multi-family bonds issued by the Authority are not secured by public revenues.

Please contact Nathaniel Pride, Executive Director, by phone at: 804-733-2200 or by email at: [nathaniel.pride@petersburgrha.org](mailto:nathaniel.pride@petersburgrha.org)



## **Multifamily Tax Exempt Mortgage Revenue Bond Procedure**

The following describes the application procedures established by the Petersburg Redevelopment and Housing Authority for Tax-Exempt Bond Financing for qualified Projects. The Authority will not issue obligations to provide financing for any Development unless the Applicant has satisfied the general requirements set forth in these guidelines. All Developments must satisfy all applicable state and federal requirements (the Authority will rely on Bond Counsel, Counsel to the Authority and its Financial Advisor to determine the applicable requirements with respect to each Development). In addition, all federal, state and local Fair Housing Requirements must be followed.

### **Section 1: Application Fees:**

1. An application fee of \$2,500 payable to the Petersburg Redevelopment and Housing Authority must accompany the application for all new bond issues. The application should be received at least four (4) weeks prior to the scheduled approval/inducement date. This occurs at the Authority's regular monthly Board of Commissioners meeting which is usually held on the fourth Monday at 6:00 p.m. Fees are non-refundable.
2. The origination fee for new and refunded tax-exempt issues exceeding \$500,000 dollars allows for the applicant to select to remit either a 1/2 of 1% fee on the total bond issue amount up front at closing or remit 1/8 of 1% payable annually on the bond balance over the term of the issue. This fee is due at closing and annually thereafter.
3. All fees to include bond counsel fees, the Authority's attorney's fee and any additional applicable fees shall also be the responsibility of the Applicant and amount will vary depending on the extent of the required services and complexity of the Revenue Bond issuance.
4. All amendment modifications to existing Bond issues will be assessed a \$500 fee.

### **Section 2: Monitoring of Multi-Family Mortgage Bond Projects:**

1. The applicant is responsible to submit quarterly occupancy reports for the term specified in the bond documents. These reports evidence tenant income data, required certifications and are reviewed by the Authority staff for compliance.
2. The applicant is responsible to submit annually the balance of the bonds issued.

## **PETERSBURG REDEVELOPMENT AND HOUSING AUTHORITY**

Post Office Box 311  
Petersburg, Virginia 23803

(804) 733-2200

REQUEST FOR ASSISTANCE  
TAX-EXEMPT FINANCING

### **A. Applicant Information**

1. Name of Applicant: Vitus Development IV, LLC
2. Address: 1700 7<sup>th</sup> Ave, Suite 2000, Seattle, WA 98101
3. Business Telephone Number: (206) 832-1328
4. Legal Entity: Petersburg East Housing Partners, LP
5. Name and Title of Official Representative: Brooke Shorett; Director, Development Management
6. Applicant's Attorney: Winthrop & Weinstine, P.A. – Jacob Bean & Josh Noah  
Telephone No. & e-mail: [jnoah@winthrop.com](mailto:jnoah@winthrop.com) & (612) 604-6599;  
[jbean@winthrop.com](mailto:jbean@winthrop.com) & (612) 604-6498
7. Desired Bond Counsel: Williams Mullen – Douglas Sbertoli  
Telephone No. & e-mail: [dsbertoli@williamsmullen.com](mailto:dsbertoli@williamsmullen.com) & (804) 241-5111

### **B. Financing Information (as known at time of request)**

1. Maximum Amount of Financing Sought: \$15,540,000
2. Limited Obligation Note or Bonds: Bonds
3. Name and Address of Proposed Lender, Lending Institution or Purchaser of Bonds: TBD
4. Maturity: TBD

### **C. Project Information**

1. Description of Project (attach detailed project description): Attached
2. Location of Proposed Project: 110 Croatan Drive & 2385 Navajo Court, Petersburg, VA 23803
3. Total Site Area: 10.60 Acres
4. Zoning Designation of Project Site: R-4, Multiple Dwelling District

D. Project Costs (as known at time of request). Include all appropriate items:

1.	Architectural and engineering costs	\$ 317,200
2.	Permits/fees	\$ 50,000
3.	Legal Costs	\$ 250,000
4.	Acquisition	\$ 9,043,800
5.	Construction	\$ 10,080,000
6.	Rehabilitation (inc. FF&E, profit, overhead)	\$ 1,411,200
7.	Other Costs (List)	
	Construction Contingency	\$ 1,149,120
	Payment and Performance Bond	\$ 114,912
	Third Party Reports	\$ 98,500
	Org., Financing & Due Diligence Costs	\$ 1,231,583
	Accounting	\$ 35,000
	Soft Cost Contingency	\$ 50,000
	Tax Credit Agency Fees	\$ 126,455
	Prefunded Interest Reserve	\$ 160,000
	Operating Reserves	\$ 610,000
	Developer Fee on Acquisition	\$ 694,400
	Developer Fee on Rehabilitation	\$ 2,142,377

Tenant Relocation Costs	<u>\$ 588,000</u>
TOTAL PROJECT COST	<u>\$ 28,182,548</u>

\*Some or all of these costs may not qualify for tax-exempt bond financing, and thus will be funded from other sources, such as developer equity or proceeds from the sale of low-income housing tax credits.

E. Fiscal Community Benefits

1. Estimated taxable value of real property to be constructed with tax-exempt funds. – \$8,800,000
2. Estimated real property tax per year using present tax rates. – \$120,000
3. Estimated personal property tax per year using present tax rates. – \$0
4. Estimated merchants' capital tax per year using present tax rates. – \$0
5. Estimated dollar value per year of goods and services that will be purchased locally – \$TBD
6. Estimated number of regular employees on year-round basis. – 5
7. Average annual salary per employee. – \$55,900 including benefits
8. Estimated date of construction start. – 8/1/2021
9. Estimated date for completion of construction – 7/31/2022

F. Application Fees

1. An application fee of \$2,500 payable to the Petersburg Redevelopment and Housing Authority must accompany the application for all new bond issues. The application should be received at least four (4) weeks prior to the scheduled approval/inducement date. This occurs at the Authority's regular monthly Board of Commissioners meeting which is usually held on the first Monday at 6:00 p.m. Fees are non-refundable.

2. The origination fee for new and refunded tax-exempt issues exceeding \$500,000 dollars allows for the applicant to select to remit either a 1/2 of 1% fee on the total bond issue amount up front at closing or remit 1/8 of 1% payable annually on the bond balance over the term of the issue. This fee is due at closing and annually thereafter.
3. All fees to include bond counsel fees, the Authority's attorney's fee and any additional applicable fees shall also be the responsibility of the Applicant and amount will be vary depending on the extent of the required services and complexity of the Revenue Bond issuance.
4. All amendment modifications to existing Bond issues will be assessed a \$500 fee.

F. Acknowledgments:

I/We certify that the information presented herein and outlined in the enclosed project description is true and correct to the best of my knowledge.

Scott Langan, Vice President

1/13/2021

By:

  
Signature:

Date:



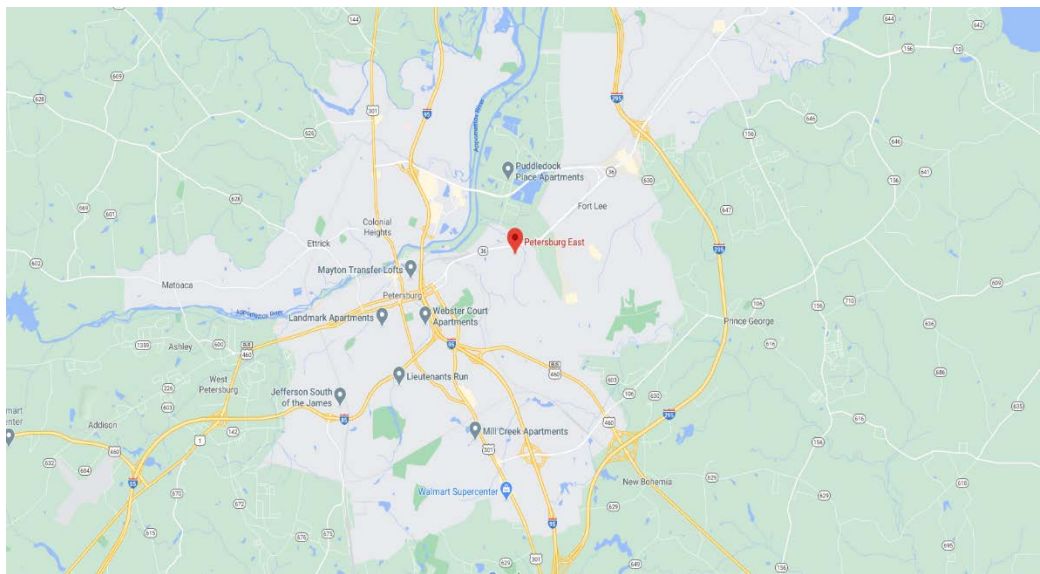
## Petersburg East I & II Apartments Executive Summary

**Petersburg East I & II Apartments**  
**110 Croatan Drive & 2385 Navajo Court**  
**Petersburg, VA 23803**

### The Project

Petersburg East I & II Apartments is a multifamily apartment community located in Petersburg, VA (marked on the map below) which Vitus intends to acquire and rehabilitate.

It is important to preserve Petersburg East I & II Apartments as quality, affordable housing. The redevelopment and large-scale improvements will not only benefit the current residents, but the surrounding neighborhood as well. The impact on the neighborhood will be minimal as there is no new construction involved.



*Location Map, Petersburg East I & II Apartments*

### The Property

Petersburg East I & II Apartments consists of a 168-unit apartment community comprised of 19 two-story apartment buildings located on a 10.60-acre lot. Petersburg East I was constructed in 1975 and Petersburg East II was constructed in 1976. The project's total unit count is made up of 28 one-bedroom units 88 two-bedroom units, and 52 three-bedroom units. Property amenities include laundry facilities, an onsite leasing office and a playground. Unit features include air conditioning and dishwasher. Parking is available onsite for approximately 290 vehicles.

Of the 168 units, all 168 are covered by a HAP contract. At closing, the HAP contract will be renewed for a 20-year term, subject to federal appropriations.

The property consists of one parcel of land, near Croatan Drive. The site is served by several shopping areas which include Walmart Supercenter, Southpark Mall Shopping Center, Sam's Club Grocery Store & Pharmacy, Aldi and others all within two miles.



*Property Photo, Petersburg East I & II Apartments*

### Rehabilitation Plan and Green Design

The rehabilitation budget is approximately \$60,000 per unit. The rehabilitation will include improvements to the general site such as added site accessibility, repairs to sidewalks and concrete steps, and jetting the sewer lines. An updated playground area will be installed as well as new dumpster enclosures and landscaping throughout. Building exterior upgrades will include pressure washing buildings and brick repair, replacement of siding as needed, and replacement of shingles and gutters. The interior renovation will include installation of new water heaters in all units, new split systems and hardwired fire/smoke detectors in all units, repairs to flooring and interior doors, and full painting in all living areas and stairwells. With these upgrades, the project will provide housing comparable to (or better than) the quality of other housing in the market area. The rehabilitation will be completed with minor disruption to the residents.

Vitus maintains a commitment to environmentally friendly construction and energy efficient housing. To honor this commitment, upgrades will include high efficiency lighting packages, low-E coated windows, ENERGY STAR qualified appliances, and high efficiency plumbing fixtures.

### Sponsor

Vitus' mission is to create positive social impact – one community, one family and one life at a time. As an innovative leader in affordable housing across the nation, Vitus specializes in the preservation of affordable properties in market areas where the need is greatest. With an emphasis on the well-being of its residents, Vitus provides access to healthy choices by offering spaces for physical activity, community gardening, enhanced walkways and stairwells, bicycle storage and a variety of health and wellness programs. These active design elements establish wellness-centered communities that encourage healthy lifestyles. Since 1996, Vitus has developed and/or acquired more than 10,000



units of affordable housing in more than 100 properties, located across 22 states. A combined total of almost 25,000 residents now live in Vitus affordable housing communities across the country. [www.vitus.com](http://www.vitus.com)

The company is based in Seattle, Washington with a regional office located in New York.

**Organizational  
Entities**

Beneficial title in the project will be held by Petersburg East Housing Partners, LP, of which the managing general partner will be Petersburg East Housing Management, LLC (a Virginia LLC). The project developer will be Vitus Development IV, LLC.

**Project Timing**

The property renovation will commence immediately upon the bond closing and will be completed within 12 months thereafter.

**For Additional  
Information**

**Brooke Shorett – Director, Development Management**  
(206) 832-1328  
[brooke.shorett@vitus.com](mailto:brooke.shorett@vitus.com)