

Sharon L. Shoff

From: Freddie Fletcher <ffletcher@fgcompanies.com>
Sent: Friday, September 19, 2025 4:44 PM
To: Sharon L. Shoff
Cc: James Noel; Rhonda Mixer; Hunter Harrington; Murray Kirk
Subject: The Silo - Attainable Workforce Housing Performance Grant Application Submittal
Attachments: Attachment 2 - Signed Attainable-Workforce-Housing-Performance-Grant-Application-Form-Attachment-2.pdf; Attachment 3 - Copy of Attainable Workforce Housing Performance Grant Calculation Form (Attachment 3).xlsx; Silo Map.pdf; The Silo - 4% Affordable 9.19.25 (Final).xlsx

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Sharon,

Attached please find the following for The Silo Attainable Workforce Housing Performance Grant Application:

- Attainable Workforce Housing Performance Grant Application (Attachment 2);
- Attainable Workforce Housing Performance Grant Calculation Form (Attachment 3);
- Map of the project site with any and all existing structures located on the site; and
- Project development and operating pro forma with 15-year cash flow projection.

We appreciate the opportunity to submit this application for consideration. Should you need any further information, please let us know.

Best,
Freddie

Freddie Fletcher

Senior Vice President, Development

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Attachment 2: Attainable Workforce Housing Performance Grant Application Form

Authorization of Program in State Code

The City is authorized by Section 15.2-953 of the Code of Virginia and other laws, and the Virginia Beach Development 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 associated with the Attainable Workforce Housing Performance Grant Program. The purpose of the City of Virginia Beach Attainable Workforce Housing Performance (AWHP) Grant is to provide an incentive for applicants to construct, own, and operate new affordable multi-family rental housing¹ units in the City of Virginia Beach.

Application

I hereby submit this application for consideration by the Virginia Beach Development Authority (VBDA) and the City of Virginia Beach, as provided in the above city and State code sections, to be eligible to receive an Attainable Workforce Housing Performance Grant for the below-addressed property:

Project Name (if known): The Silo

Applicant, or their Agent: The Silo Apts., LP

Name of the Associated Special Purpose Entity or Entities (SPE) if other than applicant:

Applicant's Name: James W. Noel III

Property Address: 2737 Princess Anne Road, Virginia Beach, VA 23456

For staff use only

Date Received: Sept. 19, 2025 Date Deemed Complete: Sept. 22, 2025

Name of Staff Person: Sharon Shoff, Housing Development Manager
Dept. of Housing & Neighborhood Preservation

¹ Multi-family housing is defined as 5 or more separate living units under common ownership and financing that are offered for rent. Living units may be either in a single building, multiple contiguous buildings, or on contiguous parcels of land with "contiguous" defined as adjacent to or touching along a boundary.

Parcel Number(s): 14945468420000, 14946414570000

Total Site Acreage: 8.56 AC

Current Tax Year: 2025 Property Assessment (Total Value): \$4,930,000.00

Is there a structure currently on the property that will be totally or partially demolished as a result of the proposed project?

☐ Yes ☒ No

**If demolition activities will be undertaken, please attach a description of the structure(s) to be demolished and attach a map showing the demolition area and structures.*

Current Property Use: vacant land

Proposed Property Use: multifamily development

Is the property zoned for the proposed use?² ☒ Yes ☐ No

Total Number of Residential Units Planned: 200

Number of Affordable Housing Units Planned: 200

Construction Start Date³ (anticipated):
6/15/2026

Construction Completion Date (anticipated): 6/15/2028

Proposed Total Development Cost: \$57,586,319.00

Has the Project been awarded Low Income Housing Tax Credits (LIHTC) from Virginia Housing's LIHTC Program? *

☐ Yes ☒ No

² Projects must either 1) have their Zoning or Conditional Use Permit approvals or 2) have had their request for a Re-zoning or Conditional Use Permit heard by the Virginia Beach Planning Commission and are scheduled for a City Council meeting. Projects that do not obtain their Re-zoning or Conditional Use Permit at the City Council meeting will not be presented to City Council for approval.

³ Projects that have not started construction as of the date the project is presented to the City Council in closed session are eligible for the AWHP Grant. Conversely, projects that have commenced construction prior to the ability to present the project to the City Council in closed session are ineligible.



If not, does the applicant plan to apply for LIHTCs?

☒ Yes

☐ No

☐ 9% LIHTCs

☒ 4% LIHTCs

If applying for Tax Credits, when will the application be submitted? 1/10/2026

**Note that if an Attainable Workforce Housing Performance Grant is approved, VBDA and City of Virginia Beach require that the Property Owner provide annually a copy of the Annual Rents and Household Income Certifications for all affordable units in the project.*

Does the applicant agree, whether a LIHTC project or not, to restrict occupancy and rents of the Project according to the MTSP Income and Rent Limits promulgated by the U.S. Department of Housing and Urban Development and Virginia Housing (the State Housing Finance Agency)?

☒ Yes

☐ No

The Attainable Workforce Housing Performance Grant period is for 15 years. If the Project has an extended use agreement with Virginia Housing, an additional 15-year Attainable Workforce Housing Performance Grant period is available.⁴

Does the Applicant desire to extend the Attainable Workforce Housing Performance Grant period to a 30-year grant period?

☒ Yes

☐ No

Please share below any other project information that was not provided in response to the questions above, including listing the proposed lenders for the project:

1. A subdivision plat (for the church parcel) has been submitted and is currently under review with the City, where it will then be combined with the larger parcel via consolidation plat. The project will ultimately be a single parcel under the GPIN 14945468420000, with a new address off of George Wythe Drive.
2. The current value of the property is based on the land value of Parcel 14945468420000 and a pro-rata share of the FY 25/26 assessed land value for Parcel 14946414570000, based upon acreage to be subdivided and then consolidated with the larger parcel.
3. Proposed lenders & Investor Limited Partner- Virginia Housing (construction perm loan), DHCD (perm loan), TowneBank (tax credit equity & bridge loan)

Required Attachment Checklist

- ☒ Attainable Workforce Housing Performance Grant Program Calculation Form
 - Please complete the "Attainable Workforce Housing Performance Grant Program Calculation Form" in excel format that is included in this application packet to determine the potential Performance Grant percentage to be applied to the property. If the application is submitted in person or by mail, the Calculation Form must also be emailed to sshoff@vbgov.com in Microsoft Excel format.
- ☒ Map of the project site with any and all existing structures⁵ located on the site.
- ☒ Project development pro forma**
- ☒ Project operating pro-forma with 15-year cash flow projection**

⁴ Projects with Virginia Housing financing that exceed the 30 years may be presented to the City Council for review on a case-by-case basis.

⁵ Projects that involve the demolition of non-residential structures. The intention of this program is to preserve the level of real estate taxes received by the general fund prior to demolition of any existing structures. The baseline increment will be set utilizing the improved value prior to demolition, except for cause shown.

***The proformas should contain a similar level of detail as required in a Virginia Housing LIHTC application, including income levels to be served, rents to be charged, operating expenses, project development costs, and sources of funding. Failure to provide a proforma with detail will result in the application being deemed incomplete. City staff will provide a template if requested.*

NOTE: Payment of the Performance Grant, if approved by VBDA and the Virginia Beach City Council is conditioned upon applicant's completion of the Project and the continued maintenance of the Project and the funds comprising payments of the Performance Grant will be calculated solely as a portion of the incremental real estate tax revenues generated by the Project (i.e., including both the fee interest (and leasehold interest, if applicable) in the land and all improvements).⁶

Grant Agreement Conditions:

In addition to the requirements in the Policy, the following shall apply to any resulting Grant Agreement:

1. Restrict occupancy and rents of the Project throughout the 15-30 year grant period according to the schedule that will be outlined in the Grant Agreement and standards promulgated by Virginia Housing and Section 42 of the Internal Revenue Code. The maximum income and rent limits are the HUD Multifamily Tax Subsidy (MTSP) Income Limits and the MTSP and HERA (Housing and Economic Recovery Act) Special Rent Limits for the Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area. Owners must include the cost of all resident-paid utilities, including phone, cable, and internet, in the gross rent charged to the residents. Owners may use the utility allowances published by the City of Virginia Beach Department of Housing or may utilize an alternative utility allowance option approved by Virginia Housing, or if not a Virginia Housing financed project, submitted to and approved by DHNP based on Virginia Housing's Utility Allowance Options and Procedures. Ongoing compliance monitoring and approvals by Virginia Housing provided to the City will serve as evidence of the recipient's compliance with the occupancy and rent restrictions. Projects that are not subject to compliance monitoring by Virginia Housing must provide an annual report in the form and format provided by the City evidencing compliance with rent and occupancy restrictions and will be subject to site inspections and file audit by the City or its contractors.
2. For projects with a 30-year performance period, the Project Owner will be required to make a reinvestment of \$10,000/affordable unit in capital improvements to ensure the ongoing upkeep and livability of all the rental units prior to the 15th year

⁶ The City Council may consider a performance grant exceeding the incremental real estate taxes where more than 20% of the residential units are affordable at or below 50% of the Area Median Income. Any such approval requires the City Council to find General Fund sources for the additional grant funds.



of service. Capital improvements are defined as expenses for systems and structures which include the replacement and repair of HVAC, electrical, roofing, plumbing, windows, doors, elevators, and appliances. Specific expenses not listed will be approved at the discretion of the City.

The Grant Agreement shall be signed within 30 days of formal approval.

Certification

I certify that all of the information above is true and correct and that I have read the attached Sample Attainable Workforce Housing Performance Grant Agreement.

Given under my hand on this 19th day of September, 2025

Print Name of Applicant: James W. Noel III

Owner: ☒

Agent: ☐

Signature of Applicant: _____

Mailing Address of Applicant: 300 32nd Street, Suite 310, Virginia Beach, VA 23451

Email Address of Applicant: ffletcher@fgcompanies.com

Phone #: (757) 287-2888

For Virginia Beach Department of Housing and Neighborhood Preservation (DHNP) use only

DHNP Application #: A WHP 2

Date DHNP received from EDA staff: n/a - e-mailed directly

Date of Completed Review: 9/23/2025

Reviewed By: Sharrn Shoff

Recommendation: Approval

Attachment 3: Attainable Workforce Housing Performance Grant Calculation Form

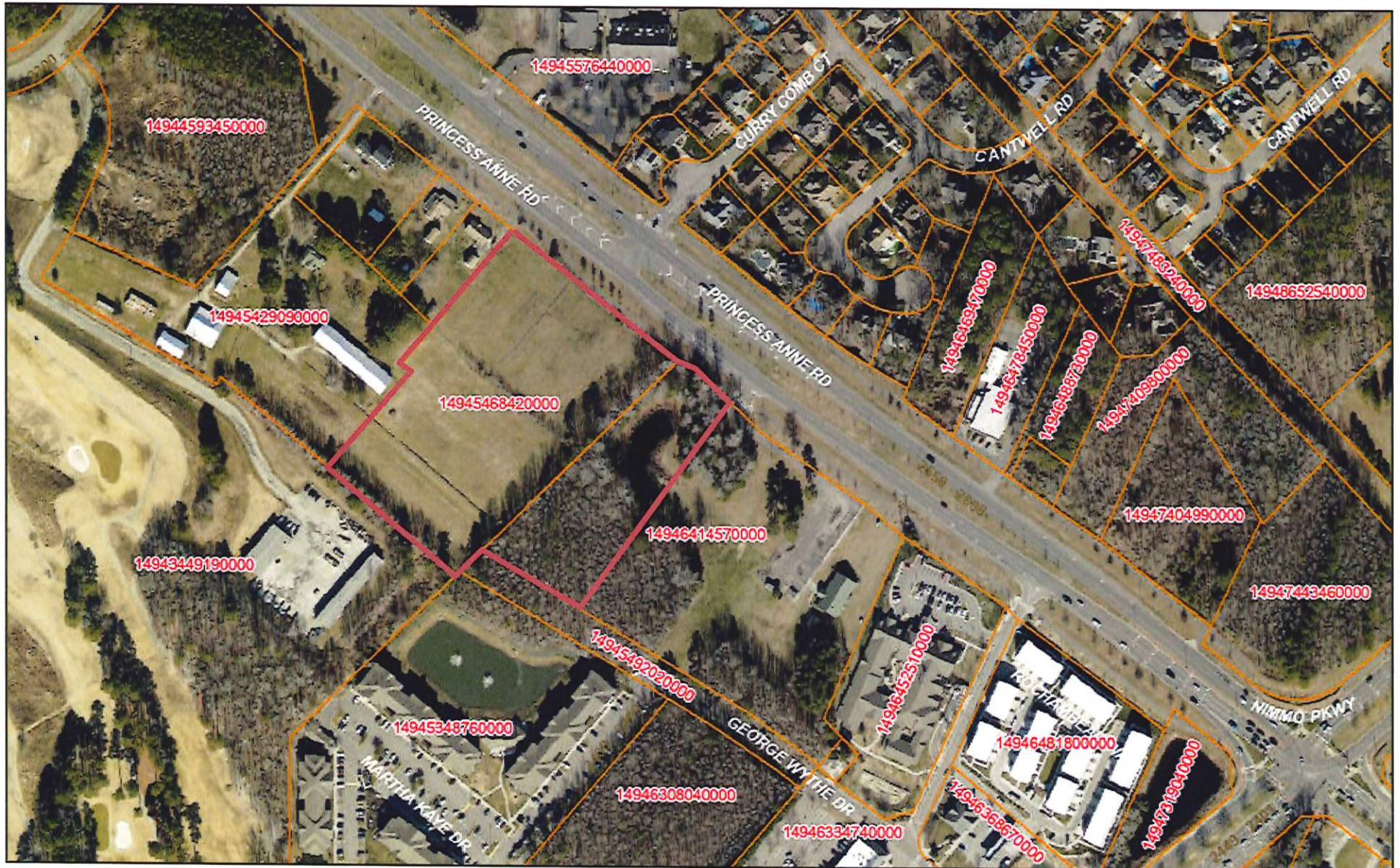


INSTRUCTIONS:

- (1) Enter required information in the yellow fields only
- (2) Attach this form in Microsoft Excel format to performance grant application. If the application is submitted in person or by mail, the Calculation Form must also be emailed to sshoff@vbgov.com in Microsoft Excel format.

Name of Applicant		The Silo Apts., LP	
Project Address		37 Princess Anne Road, Virginia Beach, VA 234	
Date Submitted for Review		September 19th, 2025	
Project Information	Amount	Percentage	
1. Gross square feet of Residential use	254,124		
2. Gross square feet of Non-Residential use.	-		
3. Total Building Gross Square Footage. (The sum of Rows 1 and 2)	254,124		
4. Percentage of property that is for residential use. (Row 1 divided by Row 3)		100%	
5. Total number of residential units	200		
6. Number of Affordable Units at or below 80% AMI but above 50% AMI	200		
7. Number of Affordable Units at or below 50% AMI.	0		
8. Total number of Affordable Units (Row 6 plus Row 7)	200		
9. The Percentage (%) of Affordable Units in the property (Row 8 divided by Row 5)		100%	
10. The Performance Grant Percentage. (Row 4 multiplied by Row 9)		100%	
11. The Percentage (%) of Affordable Units in the property that are at or below 50% AMI that may qualify the property to receive a Performance Grant increase. (A performance grant percentage increase of 2 times the performance grant percentage, up to 100%, is available to a Qualified Property when twenty (20%) or more of the residential units are at or below 50% AMI (Row 10 multiplied by 2)).		0%	
Name of Staff Reviewer			
Date Reviewed			

Silo Map

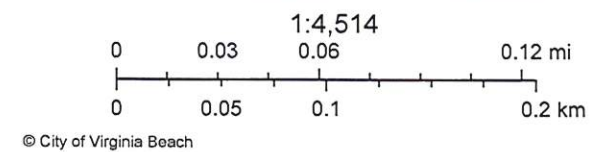


9/19/2025, 3:10:28 PM

- Recorded Parcels
- City Boundary
- Parcels

Street Ranges

Updated Road Labels for Imagery



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City of Virginia Beach Center for GIS
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DEVELOPMENT FINANCIAL ANALYSIS

The Silo (Affordable)4% LIHTC

Total Income				
Units Mix & Stabilized Annual Rental Income:				
Unit Type	#	Rent Per Month	Rent Per Year	Size (Net Sq. Ft.)
1BR/1Bth - 60%	98	\$1,084	\$1,274,784	775
2BR/2Bth - 60%	86	\$1,292	\$1,333,344	1100
3BR/2Bth - 60%	16	\$1,484	\$284,928	1275
	200		\$2,893,056	
Water Reimbursement		95%	\$142,500	
Other Income		\$40	\$96,000	Tot.Gross SqFt.
Total Gross Income			\$3,131,556	171,841
Less Vacancy & Collection Loss		5.00%	\$156,578	
Effective Gross Income			\$2,974,978	8.3

Development Costs:			
Site Work / Site Improvements	\$775,000	Per Acre	6,432,500
Additional Landscaping			250,000
Structures	\$140,000	Per Unit	28,000,000
Clubhouse / Pool			1,100,000
General Requirements	3.00%		1,073,475
Overhead	2.00%		715,650
Profit	4.50%		1,610,213
Off-Site			\$300,000
Demolition			\$100,000
Construction Contingency	5.00%		1,959,092
Land Acquisition & Commission	\$16,660	Per Units	3,332,000
Building Permits & Review Fees			95,000
Architectural/Engineering/Surveys	\$6,250	Per Units	\$1,250,000
Tap Fees	\$4,500.00		\$900,000
Environmental & Soil Study			\$50,000
Construction Interest	22	Months	\$ 1,389,430
VHDA Processing Fee	0.50%		\$129,875
VHDA Financing Fee	1.50%		\$227,969
Taxes During Construction			\$50,000
Builder's Risk & Liab. Insurance	0.00640		\$430,000
Cost Certification			\$25,000
Title and Recording			\$250,000
Legal			\$450,000
Mortgage Banker Fee	0.50%		\$129,875
Completion Assurance LC			\$50,000
Tax Credit Fee	7.00%		\$186,240
Appraisal & Mkt. Study			\$25,000
FF&E			\$250,000
Other Legal & Accounting			\$50,000
Development Overhead			\$200,000
Municipal Bond/ LOC Fees			\$50,000
Misc. Soft Costs			\$50,000
Pre-Devl. Interest Cost			\$250,000
Bridge Loan Fee			\$25,000
Initial Escrows			\$250,000
Special Insurances			\$100,000
Additional Inspections			\$50,000
Bridge Loan Interest			\$ 950,000
Operating Reserve		Up Front	\$250,000
Developer Fee		\$399,324	\$4,600,000
			57,586,319

Net Operating Income:	\$1,911,858
Annual Cash Flow Durring Defferal:	\$251,434
GP Split	90%
ILP Split	10%
	\$25,143

Equity Installments		
Initial Equity Installment	25.85%	\$6,052,660.75
50% Equity Installment	25.00%	\$5,852,660.75
75% Equity Installment	47.65%	\$11,154,161.87
Final Equity Installment	1.50%	\$351,159.64
		\$23,410,643.00

Max Developer Fee Calc (lesser of):		
8.3.1	20% of eligible basis	\$9,632,947
8.3.2	15% <= TDC	\$7,947,948
8.3.3	N/A related contractor	
8.3.4	N/A related architect	
8.3.5	N/A both related contractor & arch	
8.3.6	cumulative decling scale	\$4,512,178

Dev Fee Payments		
at Initial Close	4.35%	\$200,000.00
at 3rd Installment	0.00%	\$0.00
at 4th Installment	4.33%	\$199,324.25
Deferred	91.32%	\$4,200,675.75
		\$4,600,000.00

Total Marlyn Hard Costs	39,481,838
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25% Test Calculation	
Total TE Bonds	\$21,975,000
Divided By:	
Eligible Basis	\$51,164,737
Plus: Land Acquisition Costs	3,332,000

Loans		
Construction Loan	VHDA	
Maximum Loan Amount		\$25,975,000
Interest Rate	5.39%	
Amortization (Years)	40	
Monthly Debt Service		\$131,945
Permanent Loan 1	VHDA Tax Exempt	
Maximum Loan Amount		\$13,975,000
Interest Rate	5.620%	
Term (Years)	35	
Amortization (Years)	35	
Monthly Debt Service		\$76,150
Annual Debt Service		\$913,802
Permanent Loan 2	VHDA REACH	
Maximum Loan Amount		\$8,000,000
Interst Rate	3.95%	
Term (Years)	35	
Amortization (Years)	35	
Monthly Debt Service		\$35,182
Annual Debt Service		\$422,189
Permanent Loan 3	VHDA Taxable	
Maximum Loan Amount		\$4,000,000
Interst Rate	6.93%	
Term (Years)	35	
Amortization (Years)	35	
Monthly Debt Service		\$25,369
Annual Debt Service		\$304,433
Permanent Loan 4	DHCD VHTF	
Maximum Loan Amount		\$4,000,000
Interst Rate	0.50%	
Term (Years)	35	
Amortization (Years)	35	
Monthly Debt Service		\$1,667
Annual Debt Service		\$20,000.00
6 months Debt Service		\$830,212.25
Total Annual Debt Service		\$1,660,424
Effective Debt Coverage Ratio		1.151

Operating Expenses:		
Taxes (After Grant Payments)		\$47,821
Advertising/Marketing		\$15,000
Management/Marketing Fee	4.00%	\$118,999
Leasing Commission		\$0
Admin.		\$30,000
Legal & Audit		\$20,000
Tax Credit Compliance	\$19	\$3,800
Maintenance(contracts & repairs)		\$120,000
Manager Salary		\$100,000
Engineer Salary & Housecleaner		\$75,000
Other		\$50,000
Leasing Assist./Maint. Assist.		\$75,000
Payroll Tax/Insurance	15%	\$37,500
Electricity		\$40,000
Water/Sewer		\$150,000
Trash & Security Service		\$40,000
Insurance		\$80,000
Replacement Reserve	\$300	\$60,000
6 months OPEX		\$531,560.06
6 months OPEX and 6 Months DS		\$1,361,772.31
Total Operating Expenses	\$ 5,315.60 Per Unit	\$1,063,120

Facilitation of Capital	
Basis for Calculation	\$51,164,737
Basis + Boost (if applicable)	1.30 \$66,514,158
Annual Percentage Rate	4.00% \$2,660,566
Federal Syndication Value	88.0% \$23,412,984
Annual Credits (HOTC)	\$0
State Syndication Value	55.0% \$0
Present Value of Federal Tax Credit Syndication	\$23,410,643
Present Value of State Tax Credit Syndication	\$0
Present Value of Tax Credit Syndication	\$23,410,643

Capital Stack	
Total Development Cost	57,586,319
Less: Max. Loan Amount	\$29,975,000
Gross Equity Required	27,611,319
Less: Tax Credit Syndication	\$23,410,643
Less Deferred Devel. Fee Note	4,200,676

*95% of construction contingency in basis

Bridge Loan Calculation	
TDC	\$57,586,319
VH Const Loan	(\$25,975,000)
Equity During Const	(\$11,905,322)
Developer Fee	(\$4,600,000)
Add Back: Dev Fee @ Closing	\$200,000
	\$15,305,997

Project Gap Calculation	
Real Estate Taxes (Current)	\$47,821
Real Estate Taxes (Projected at Stabilization)	\$264,000
Grant Payment (Projected)	\$216,179
Additional Loan Proceeds due to Grant	\$2,875,000