



# Virginia

## Low Income Housing Preservation in 2010

### Low Income Housing Tax Credits (9% Tax Credits)

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The 2011 QAP awards 20 points to developments currently subject to HUD's Section 8 or Section 236 programs or Rural Development's Section 515 program. In addition, 10 points are awarded to developments receiving new project-based subsidy from HUD or RD for the greater of 5 apartments or 10% of the apartments of the proposed development. All applications seeking credits for rehabilitation of existing apartments must provide for contractor construction costs of at least \$10,00 per unit.

#### **Allocations (2003-2009)**

*Properties Preserved:* 150

*Apartments Preserved:* 10,716

*Additional Info:* In 2008 and 2009, Virginia allocated more than 50% of its 9% tax credit towards projects proposing preservation of affordable rental housing.

### State Low Income Housing Tax Credits

In 2010, an estimated \$500,000 was available for Virginia to allocate towards its state tax credit program. The state credits are administered separately from the federal program, and bear a 5 year credit period.

### Private Activity Bonds with 4% Tax Credits

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Virginia has preserved a significant amount of affordable housing using their bond cap with 4% tax credits over the last several years. In 2009, 89% of units funded with 4% credits were preservation.

#### **Allocations (2003-2009)**

*Properties Preserved:* 43

*Apartments Preserved:* 6,844

*Additional Info:* In 2007, 2008, and 2009, Virginia allocated over 50% of its annual 4% tax credit towards preservation projects.

### Housing Trust Funds

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Established in FY1990, the Fairfax County Housing Trust Fund reflects the expenditures and revenues of funds earmarked to encourage and support the preservation, development and redevelopment of affordable housing by the Fairfax County Redevelopment and Housing Authority, non-profit sponsors, and private developers. The fund is intended to promote endeavors that will furnish housing to low- and moderate-income individuals in Fairfax County by providing low cost debt and equity capital in the form of loans, grants and equity contributions. Only capitalized costs are eligible for funding from the Housing Trust Fund. In FY2010, revenues to the Housing Trust Fund were expected to be \$1,250,000.

Arlington County's Affordable Housing Investment Fund, established in 1987, is a revolving loan fund comprised of local and deferral dollars. Among others, the acquisition, rehabilitation, and/or development of affordable multifamily units is considered an eligible activity. With approximately \$5 million in new funding annually plus loan repayments, developer contributions, and payoffs, loans have totaled over \$125 million since 2000.

Additionally, the Alexandria Housing Opportunities Fund provides gap financing in the form of low-interest loans or grants to produce or preserve affordable units. Properties must serve households at or below 60% AMI.

**PLEASE NOTE: Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).**

## Green Multifamily Preservation Initiatives

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### *Green Incentives in State Tax Credit Allocation Plan*

The 2011 QAP awards points to developments with certain energy efficiency characteristics, including: the product of 20 points times the percentage of exterior walls covered by brick for developments with brick covering 30% or more of the exterior walls; 5 points if all kitchen and laundry appliances meet the EPA's Energy Star qualified program requirements; 5 points if all windows meet the EPA's Energy Star qualified program requirements; 10 points if every unit in the development is heated and air conditioned with either (i) heat pump units with both a SEER rating of 15.0 or more and a HSPF rating of 8.5 or more, or (ii) air conditioning equipment with a SEER rating of 15.0 or more, combined with gas furnaces with an AFUE rating of 90% or more; 5 points if the water expense is sub-metered (tenant pays monthly or bi-monthly bill); 3 points if each bathroom contains only low-flow faucets and showerheads as defined by the authority.

All projects featuring water heaters meeting EPA's Energy Star qualified program requirements will receive 5 points. Projects heated and cooled with geothermal heat pump that meets the Energy Star qualified program requirements will receive 5 points. Up to 20 points will also be available to developments with a solar electric system that will remain unshaded year round, be oriented to within 15 degrees of the true south and be angled horizontally within 15 degrees of latitude (1 point for each 2% of the development's electrical load that can be met by the solar electric system).

15 points are awarded to projects achieving LEED Silver certification or to new construction certified by EarthCraft as being 15% more energy efficient than the International Energy Conservation Code or a rehabilitation project that is 30% more energy efficient post rehabilitation. 30 points are available to projects achieving LEED Gold certification or to new construction certified by EarthCraft as being 20% more energy efficient than the International Energy Conservation Code or a rehabilitation project that is 40% more energy efficient post rehabilitation. 45 points are awarded to projects achieving LEED Platinum certification or to new construction certified by EarthCraft as being 25% more energy efficient than the International Energy Conservation Code or a rehabilitation development that is 50% more energy efficient post rehab.

### *Other Green Incentives Relevant to Preservation*

The Department of Housing and Community Development administers Virginia's Weatherization Assistance Program. Virginia encourages using weatherization funding on multifamily projects. For complete information on VA's weatherization program see: <http://www.waptac.org/grantee-contacts.aspx>.

Incentives include a property tax exemption for renewable energy systems (local option) and a renewable energy production incentive through the TVA Green Power Switch Generation Partners Program.

*For additional information on green initiatives, visit [www.aceee.org](http://www.aceee.org) for more on policies related to energy efficiency or [www.dsireusa.org](http://www.dsireusa.org) for programs that may be available to developers to incentivize renewable energy or energy efficiency.*

## Sustainable Communities & Transit-Oriented Development Incentives

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Virginia's 2011 QAP awards 30 points for projects located in a revitalization area which are "integral" to the local government's plan for the area's revitalization. 5 additional points are available if the project is located in a qualified census tract.

Points are awarded for "any development located within ½ mile of an existing commuter rail, light rail or subway station or ¼ mile of one or more existing public bus stops."