

Hampton Roads Planning District Commission

Housing Workgroup

April 26, 2023



AGENDA

- **Modern Affordable Housing & Tax Credits**
- **The Affordability Crisis**
- **Development Challenges**
- **Potential Solutions**
- **Tax Credit Scoring Assistance**
- **Q & A**



TRADITIONAL THOUGHTS OF AFFORDABLE HOUSING

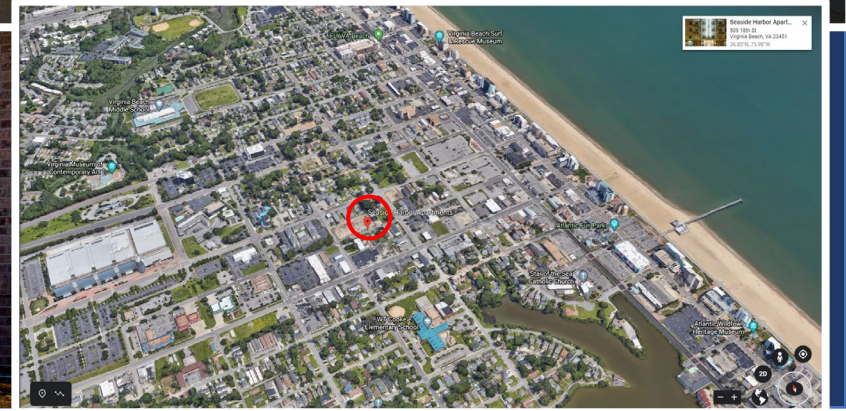
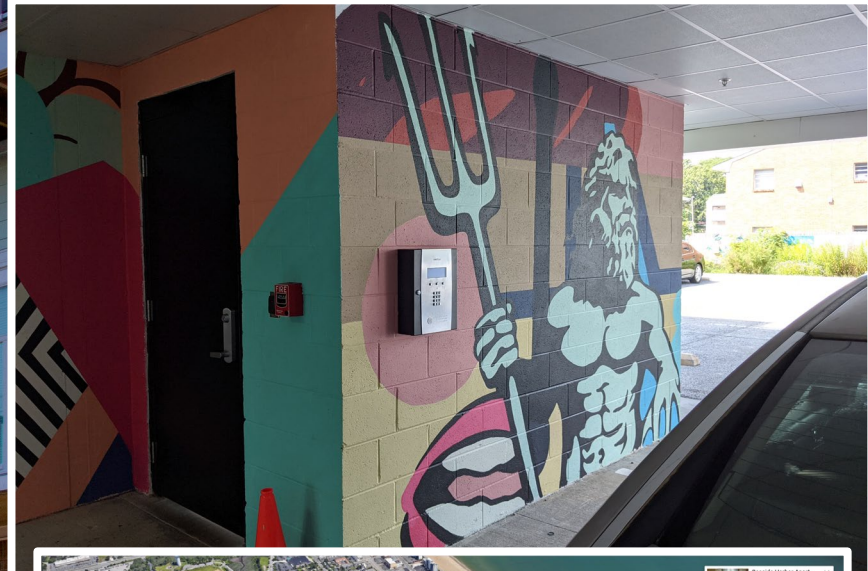


SEASIDE HARBOR Pre-Construction



SEASIDE HARBOR

76 Affordable Apartments
at the Virginia Beach Oceanfront



SEASIDE HARBOR



SEASIDE HARBOR

Community Partners & Accolades



2019 Best Affordable
Apartment
Development



2020 Multifamily
Project of the Year



2020 Merit Award -
Best Commercial
Multifamily Project



LAWSON



MARKET HEIGHTS

164 Affordable Apartments
in Norfolk's St. Paul's District





MARKET HEIGHTS

Community Partners & Accolades

- First property approved under the City of Norfolk's new resiliency code



EarthCraft Gold
Certified



LAWSON



THE RETREAT AT HARBOR POINTE

246 Affordable Apartments
on the Historic Elizabeth River





THE RETREAT AT HARBOR POINTE

Community Partners and Accolades



2021 Best Affordable
Development (Over
100 Units)



2021 NOVOGRADAC
Development of
Distinction in Family
Housing



2021 Excellence in
Development Design
Merit Award



Best Affordable
Community

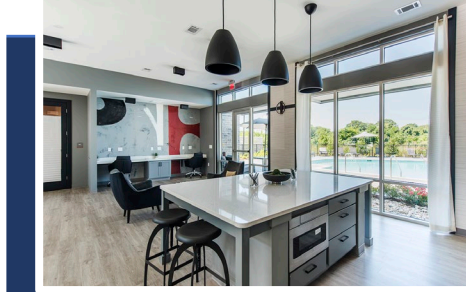


Communities
Completed 2020 or
Later



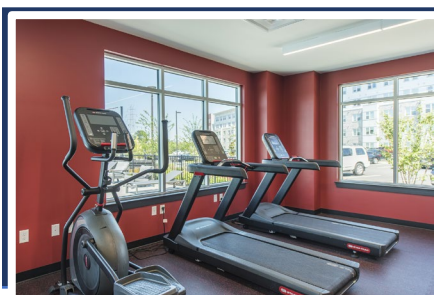
2021 Achievement
Level





The Foundry

200 Affordable Apartments
in Richmond's Northside





THE FOUNDRY

Community Partners & Accolades

FEED MORE  SM



**2023 BEST AFFORDABLE
MULTIFAMILY PROJECT AWARD**



TAX CREDITS

The Low Income Housing Tax Credit (LIHTC)

- Created in 1986 under the Reagan Administration
- 3+ million affordable units built or preserved
 - The most successful affordable housing program ever
- True Public/Private Partnership
 - Skin in the game from all participants (owners and residents)
- Don't mess with the I.R.S.
- Creates lots of jobs, income, and tax revenue

ECONOMIC IMPACT

Building 100 rental apartments in a typical area creates:

- **\$12.4 million in income for state residents**
- **\$3.3 million in taxes and other revenue for state and local governments**
- **170 jobs for residents of the state**

In addition, the annually recurring impacts include:

- **\$2.9 million in income for state residents**
- **\$842,000 in taxes and other revenue for state and local governments**
- **49 jobs for residents of the state**

AGENDA

✓ Modern Affordable Housing & Tax Credits

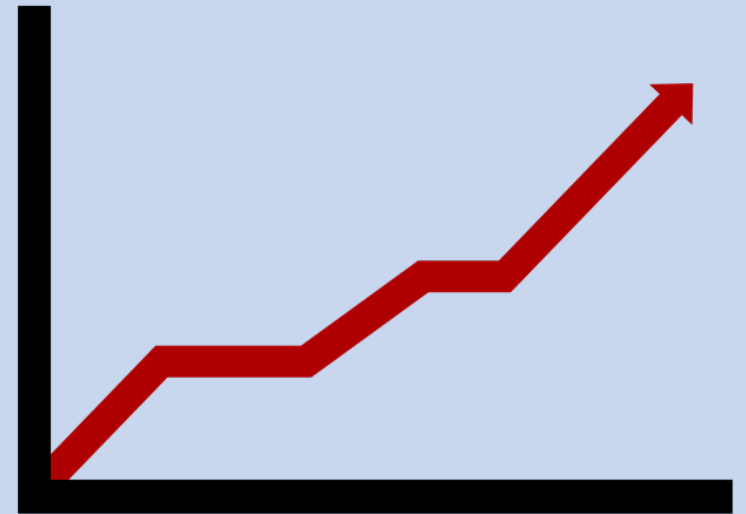
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THE AFFORDABILITY CRISIS

How We Got Here... Supply and Demand...

- We have constrained the supply of housing
 - Multi-decade reliance on single family detached zoning
- In the face of record demand
 - The Millennials!
- Limited Supply + Huge Demand =

INCREASING HOME PRICES & RENTS



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DEVELOPMENT CHALLENGES

Seaside Harbor – A Case Study

Five Stars Needed to Align:

- 1. New Resort Area Form-Based Zoning**
- 2. Qualified Census Tract**
- 3. Special Pool of Tax Credits for Properties with DD Component**
- 4. Extremely Patient Land Seller (3 years!)**
- 5. Low Interest Soft Second Mortgage from Virginia Housing**

DEVELOPMENT CHALLENGES

- **The Numbers Just Don't Work for Affordable Housing**
 - Interest rates
 - Construction costs
 - Operating costs, other costs & fees
- **Lack of Land Zoned for Higher Densities**
- **Rezoning Risk for Unzoned Land**
- **Lack of Qualified Census Tracts (QCT's)**
- **Lack of Difficult Development Areas (DDA's)**

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POTENTIAL SOLUTIONS

- Land Use
 - Density, Density, Density (in appropriate areas)
 - Zone more land for affordable housing types
 - (Duplex/fourplex, Townhomes, Apartments)
 - **Put the zoning on the ground, not on the shelf!**
- Reduce/Eliminate Municipal Costs
 - Tap fees, capital impact fees, building permit fees etc.
- Real Estate Tax Rebatement (not total abatement)
- Soft Money (i.e. low interest soft second loans)
- Contribution of City-Owned Land
- Expedited approvals and permitting for affordable deals
- Access to project-based vouchers (10% of unit score)

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TAX CREDIT SCORING ASSISTANCE

- **Embrace Development in HUD Designated QCT's/DDA's**
- **Embrace Virginia Housing's "Revitalization Resolution"**
- **Government Support/"Subsidized Funding" Scoring**
 - **Tap Fee Waivers**
 - **Capital Impact Fee Waivers**
 - **Real Estate Tax Rebatement (not total abatement)**
 - **Land Contribution**
 - **Project-Based Vouchers**

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Q & A

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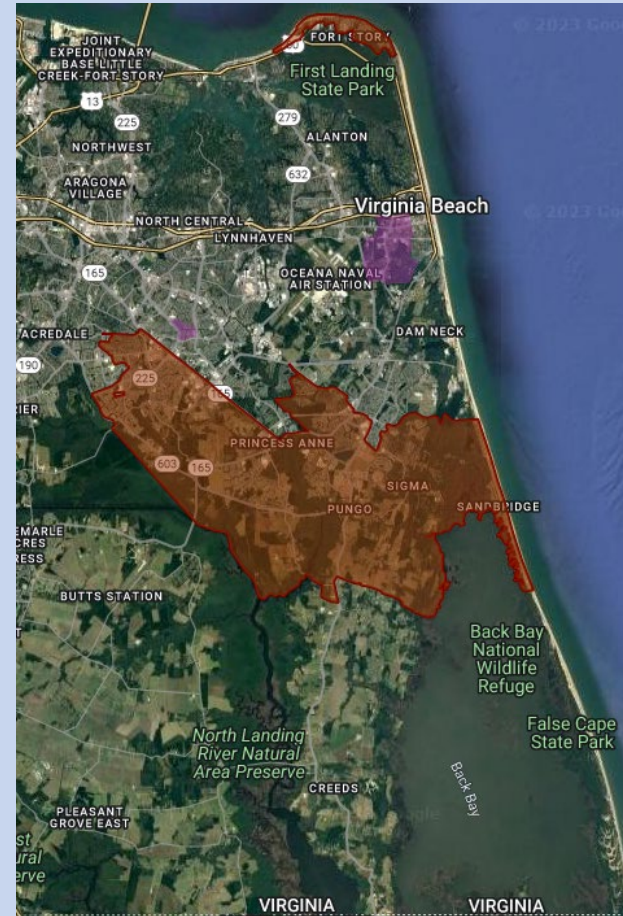
City of Virginia Beach

➤ Opportunities

- Depth of Market
- Robust public transportation system
- Availability of Project Based Vouchers

➤ Challenges

- QCT/DDA
 - Few Developable Sites
 - AICUZ



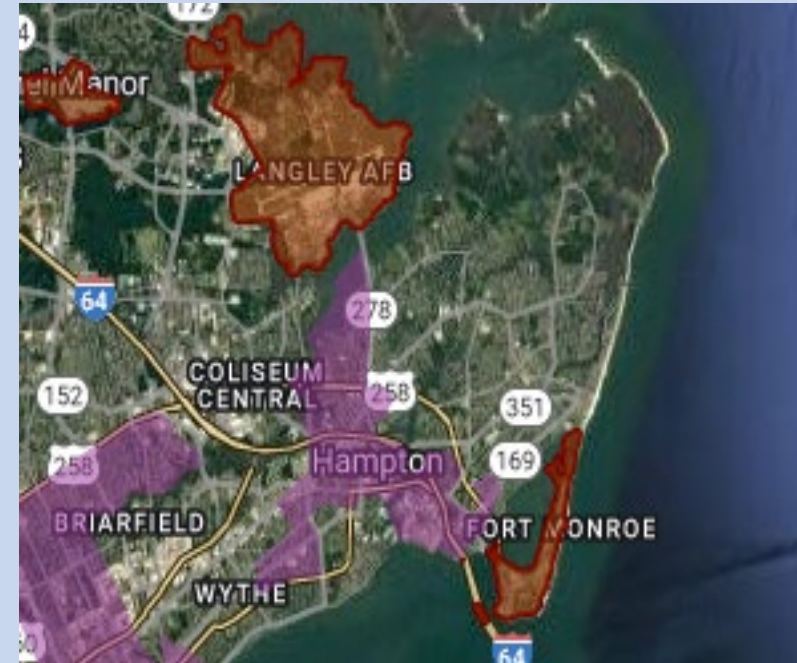
City of Hampton

➤ Opportunities

- Depth of Market
- Robust public transportation system
- Availability of Project Based Vouchers

➤ Challenges

- Land availability



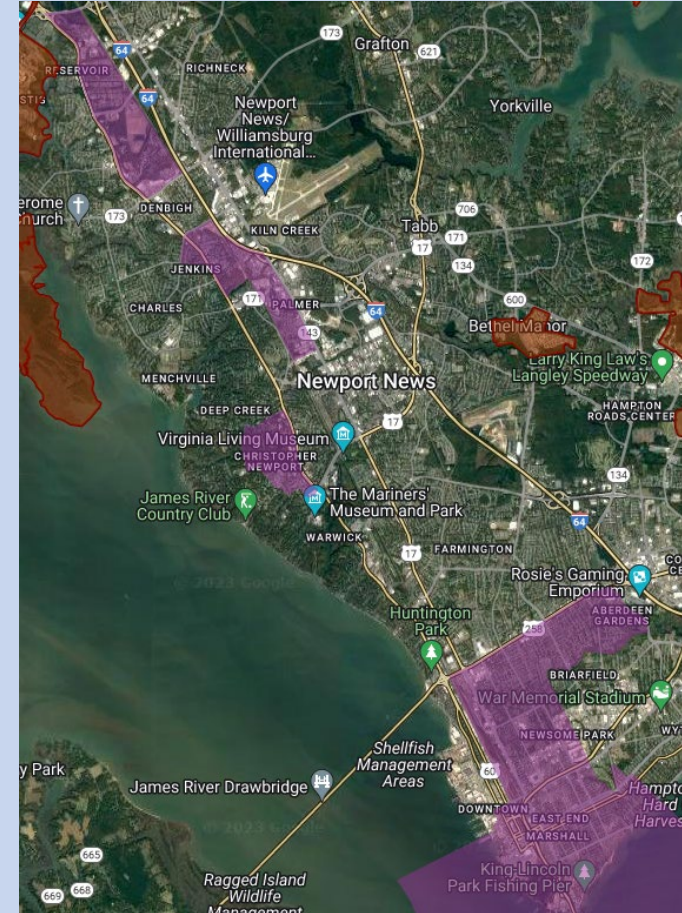
City of Newport News

➤ Opportunities

- Depth of Market
- Robust public transportation system
- Availability of Project Based Vouchers

➤ Challenges

- Land availability



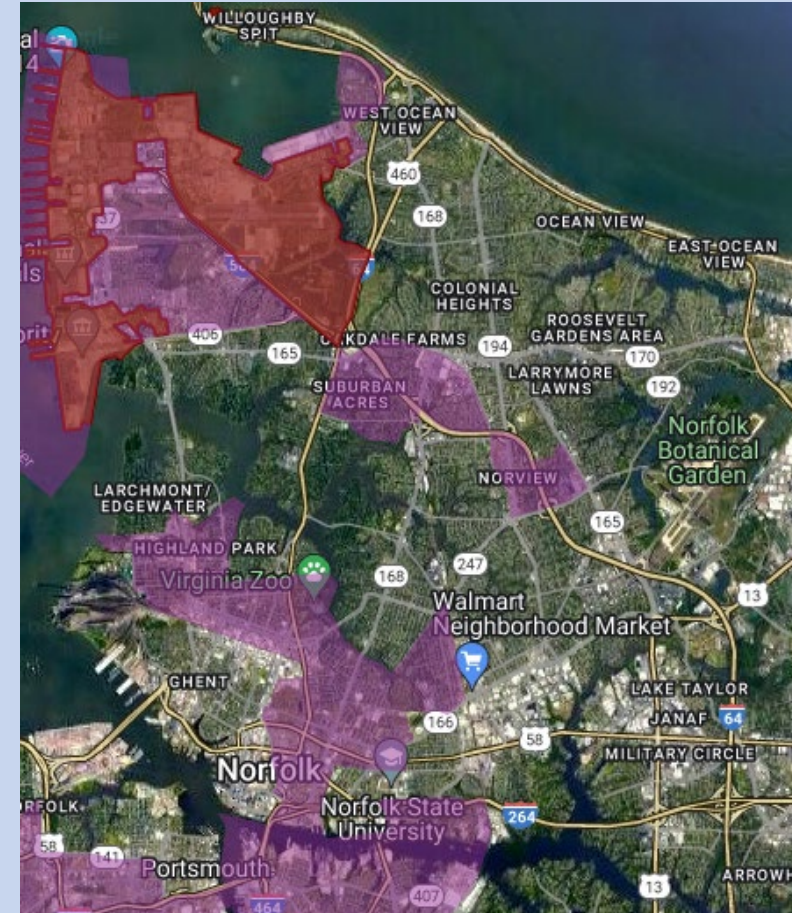
City of Norfolk

➤ Opportunities

- Depth of Market
- Robust public transportation system
- Availability of Project Based Vouchers

➤ Challenges

- QCT/DDA
 - Few Greenfield Sites
- Costly Design Standards



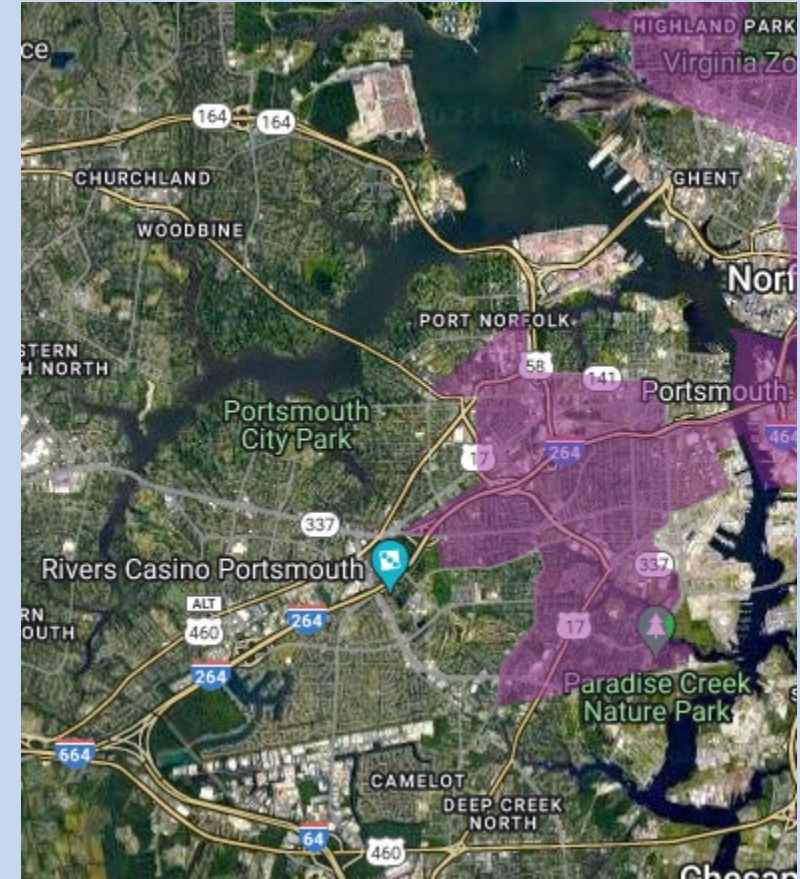
City of Portsmouth

➤ Opportunities

- Depth of Market
- Robust public transportation system
- Availability of Project Based Vouchers

➤ Challenges

- QCT/DDA
 - Few Greenfield Sites
- Utility Rates



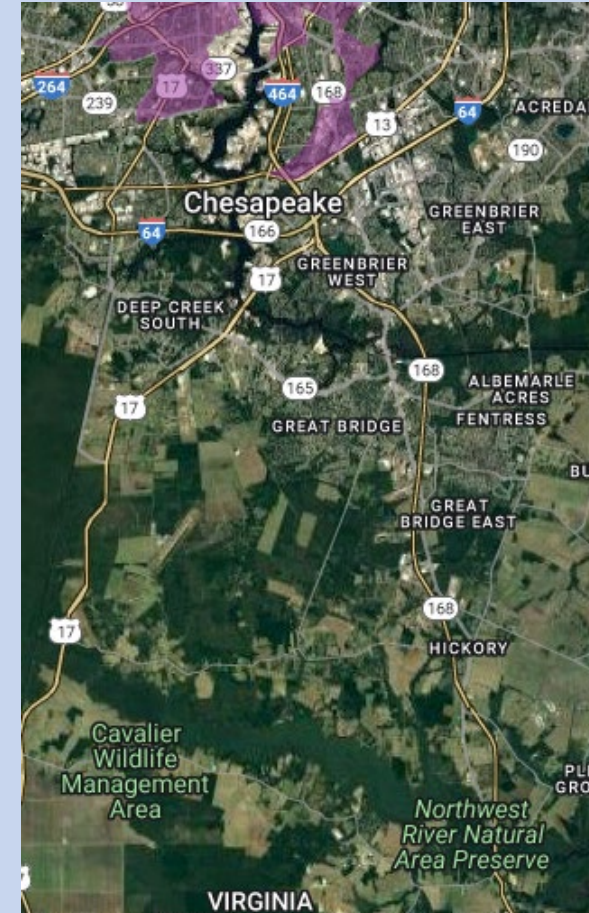
City of Chesapeake

➤ Opportunities

- Depth of Market
- Undeveloped land
- Robust Public Transportation System

➤ Challenges

- Lack of QCT/DDA
- Utility Rates



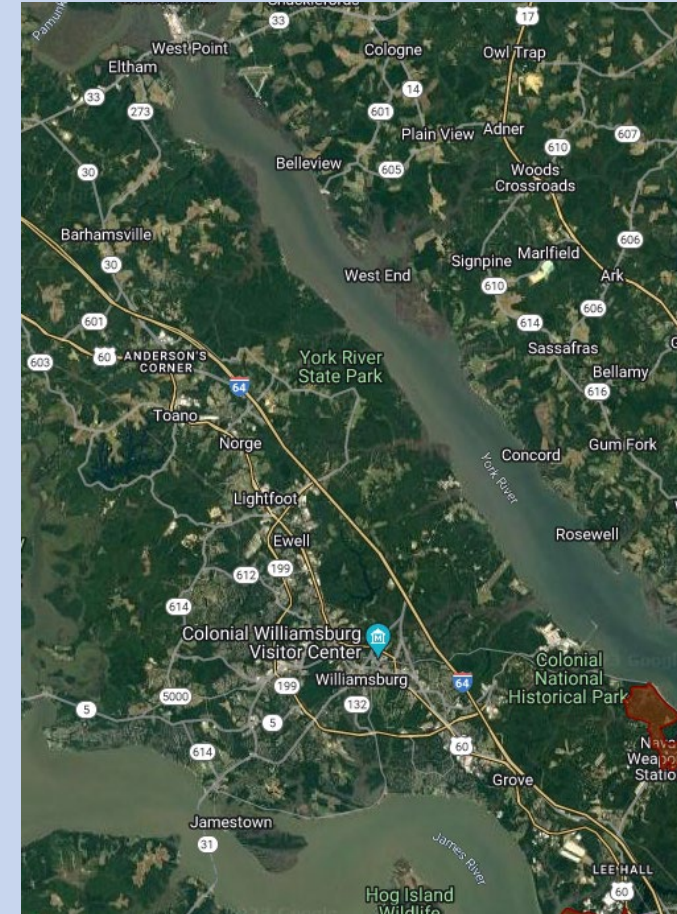
James City County

➤ Opportunities

- Much developable land
- Sparse Public Transportation

➤ Challenges

- Lack of QCT/DDA
- Depth of Market



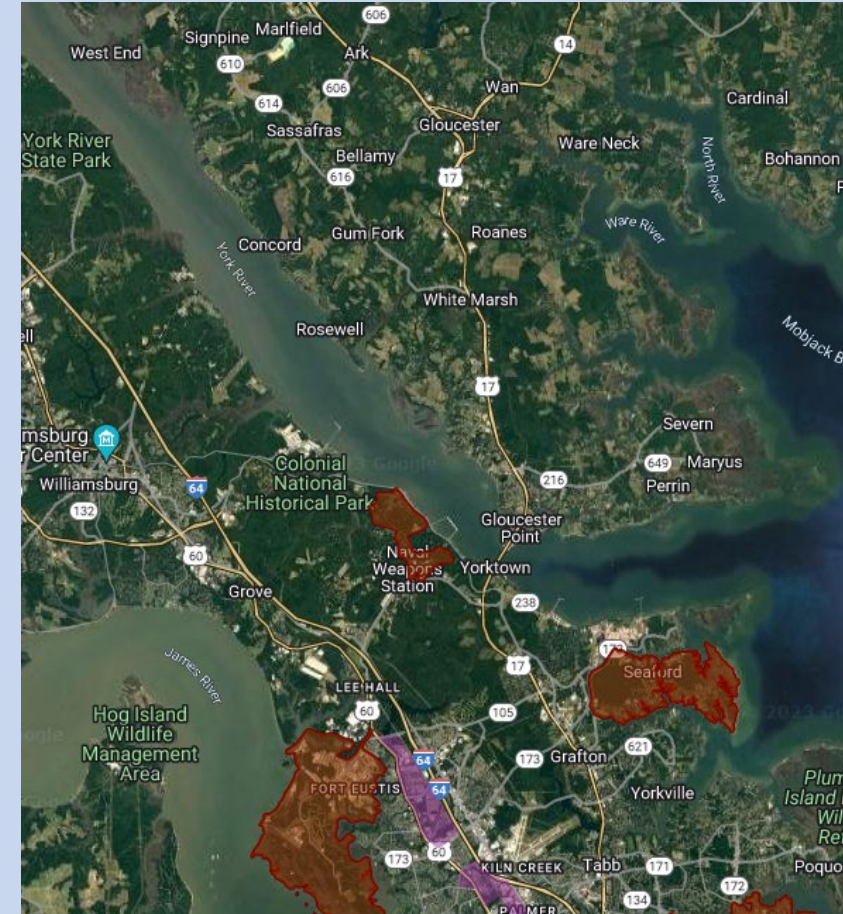
York County

➤ Opportunities

- Undeveloped Land
- Depth of Market

➤ Challenges

- QCT/DDA
 - Few Developable Sites



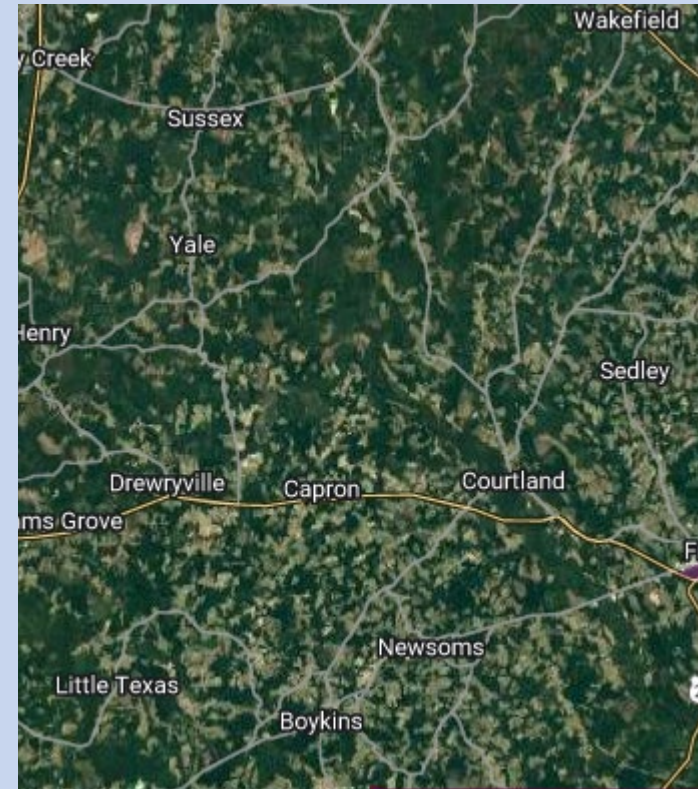
Southampton County

➤ Opportunities

- Undeveloped Land

➤ Challenges

- QCT/DDA
 - None Within Jurisdictional Boundaries
- Sparse Public Transportation
- Comparable Rent



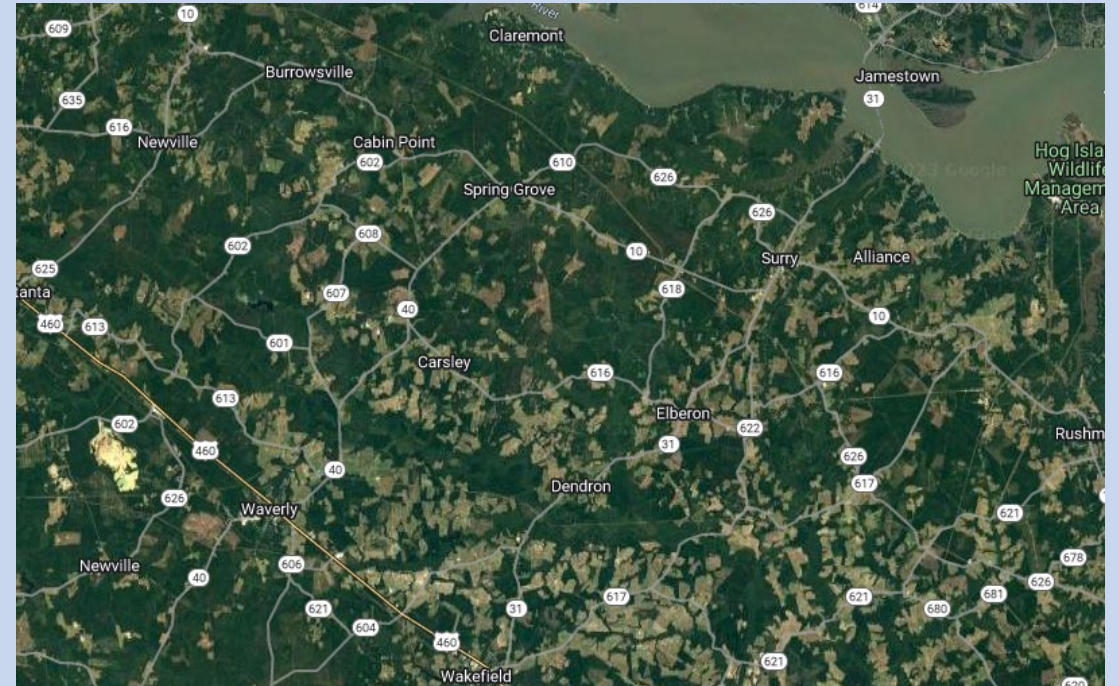
Surry County

➤ Opportunities

- Undeveloped Land

➤ Challenges

- QCT/DDA
 - None Within Jurisdictional Boundaries
- Sparse Public Transportation



Isle of Wight County

➤ Opportunities

- Undeveloped Land

➤ Challenges

- QCT/DDA
 - None Within Jurisdictional Boundaries
- Sparse Public Transportation

