

CHP's application for Low Income Housing Tax Credits.

BACKGROUND: CHP received development approvals in October 2022 for Witter Place, a 94-unit affordable housing project located at 2712 Duke Street. Rents for the units will be affordable to households with incomes from at-or-below 40% to at-or-below 60% of the Area Median Income. The total development cost of Witter Place is approximately \$52 million, and the project's funding package is anticipated to include a permanent City loan of \$10.5 million (including \$400,000 in predevelopment funds) and a rental subsidy grant of \$350,000, along with low-income housing tax credit equity, first mortgage debt, a deferred developer fee, and monies from various other sources.

CHP is preparing a funding application to Virginia Housing for competitive (9%) low-income housing tax credits for the project. The application is due in mid-March 2023. A City Council resolution designating the project site a Revitalization Area will provide key points to CHP's application and allow CHP to take advantage of all appropriate point criteria available within Virginia Housing's scoring parameters.

DISCUSSION: The Resolution designating the Witter Place project site a revitalization area helps make CHP's application for low-income housing tax credit equity more competitive in terms of aligning the project with funding priorities established by Virginia Housing. Consistent with the City Attorney's past interpretation of the relevant Virginia Code Section, staff believes that the proposed development of affordable housing at the site provides an economic benefit to the City that would not occur without government assistance, including local financial support and federal tax credits, as well as other planned public and private resources. These criteria comply with requirements of the designation.

FISCAL IMPACT: None related to the Resolution.

ATTACHMENT: Resolution Designating the CHP Witter Place Project Site a Revitalization Area

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