

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): _____

Applicant, or their Agent: _____

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

Applicant's Name: _____

Property Address: _____

For staff use only

Date Received: _____ Date Deemed Complete: _____

Name of Staff Person: _____

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): _____

Total Site Acreage: _____

Current Tax Year: _____ Property Assessment (Total Value): _____

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: _____

Proposed Property Use: _____

Is the property zoned for the proposed use²? Yes No

Total Number of Residential Units Planned: _____

Number of Affordable Housing Units Planned: _____

Construction Start Date³ (anticipated):

Construction Completion Date (anticipated): _____

Proposed Total Development Cost: _____

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? _____

**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:

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 _____ day of _____, _____

Print Name of Applicant: _____

Owner: _____

Agent: _____

Signature of Applicant: _____

Mailing Address of Applicant: _____

Email Address of Applicant: _____

Phone #: _____

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

DHNP Application #: _____

Date DHNP received from EDA staff: _____

Date of Completed Review: _____

Reviewed By: _____

Recommendation: _____