



Collaborative Housing Resources

Southwest Virginia Housing Summit

April 26, 2023

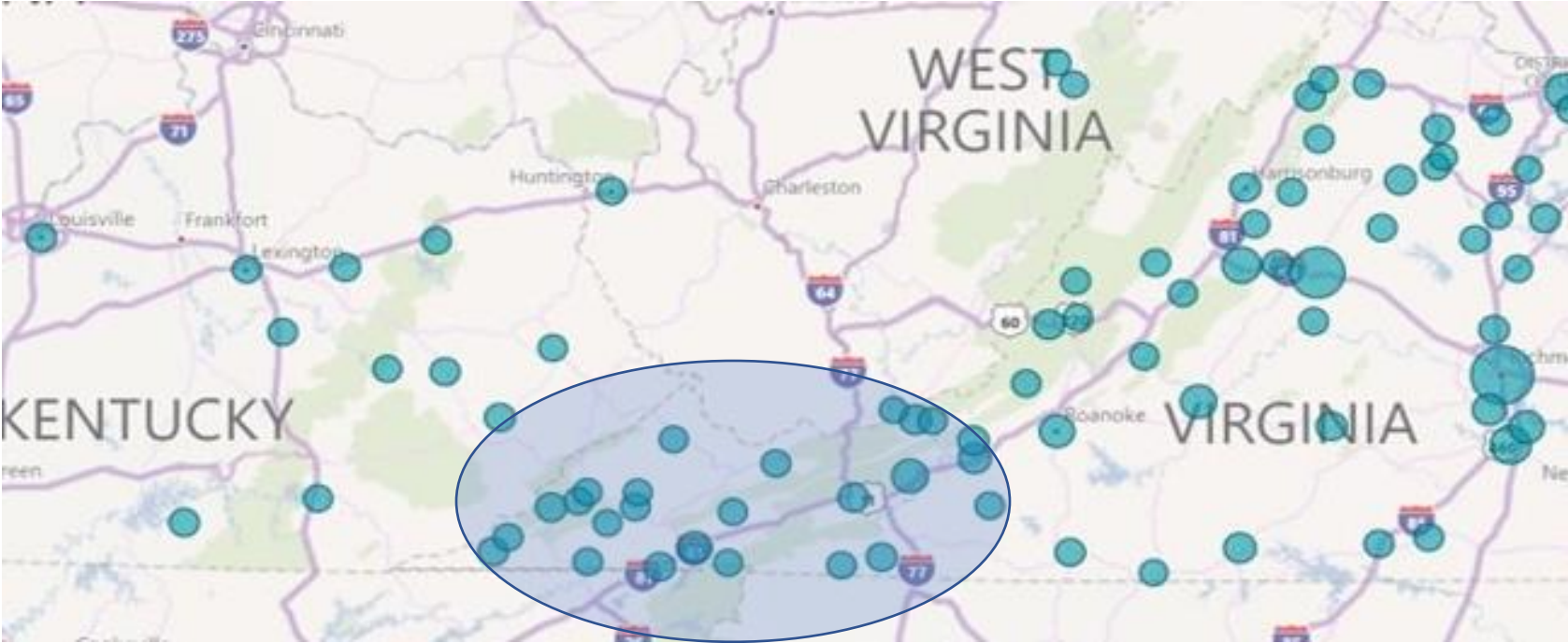


VCDC

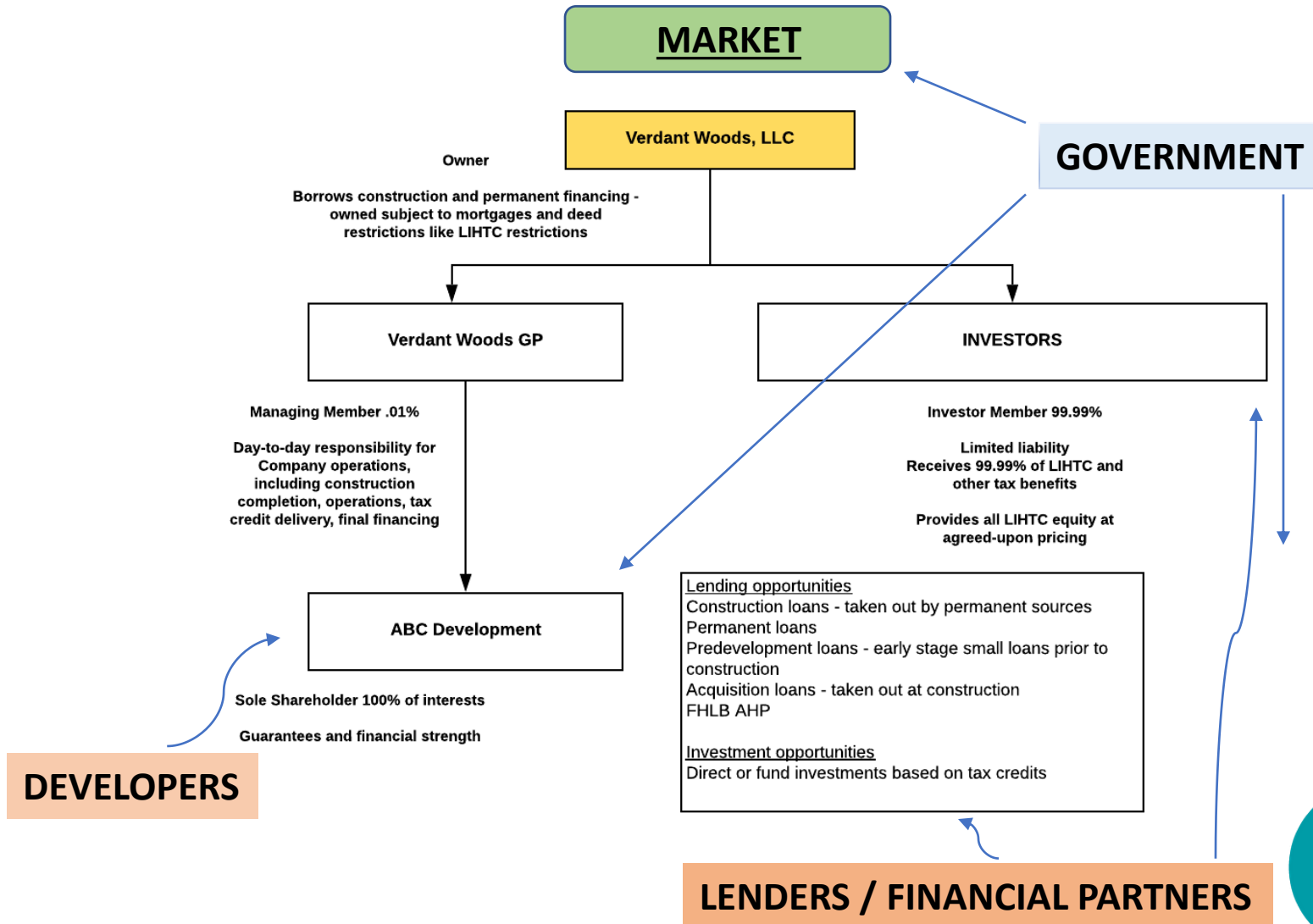
- Nonprofit organization collaborating with other organizations to serve Virginia's communities for over 30 years.
- Virginia Community Development Corporation to VCDC.
- Assembles and manages equity funds that match investors with affordable housing developments generating Low-Income Housing Tax Credits.
- Virginia Community Development Fund – VCDC's affiliate CDFI - provides loans supporting housing.
- Provides advice, technical assistance, and supporting capacity.



Properties Supported



Participants and Structure



Feasibility

- Strong market – good demand and rents achievable.
- Solid forecast of operating expenses – real estate taxes, insurance, management, and maintenance.
- Enough income to cover loan costs.
- Construction costs reliable.
- Acquisition costs suitable.
- Other development costs thoroughly evaluated – including construction financing costs and cash reserves.
- Availability of non-debt sources (equity) or “patient” debt sources.



Collaboration Points

- Continued construction cost volatility blends with increased interest rates to create strong headwinds.
- More funding sources than before available to support housing development, but there are still challenges to feasibility.
- Locality support an important factor:
 - Offset acquisition costs
 - Coordinated plan review
 - Infrastructure and tap fees
 - Inspections and Certificates of Occupancy
 - Ongoing utility costs
 - Real estate taxes – income method for affordable housing

