

City of Danville Division of Housing & Development

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Community Development Department



Agenda

- Background
- Housing Needs
- Proposed Draft Residential Incentives



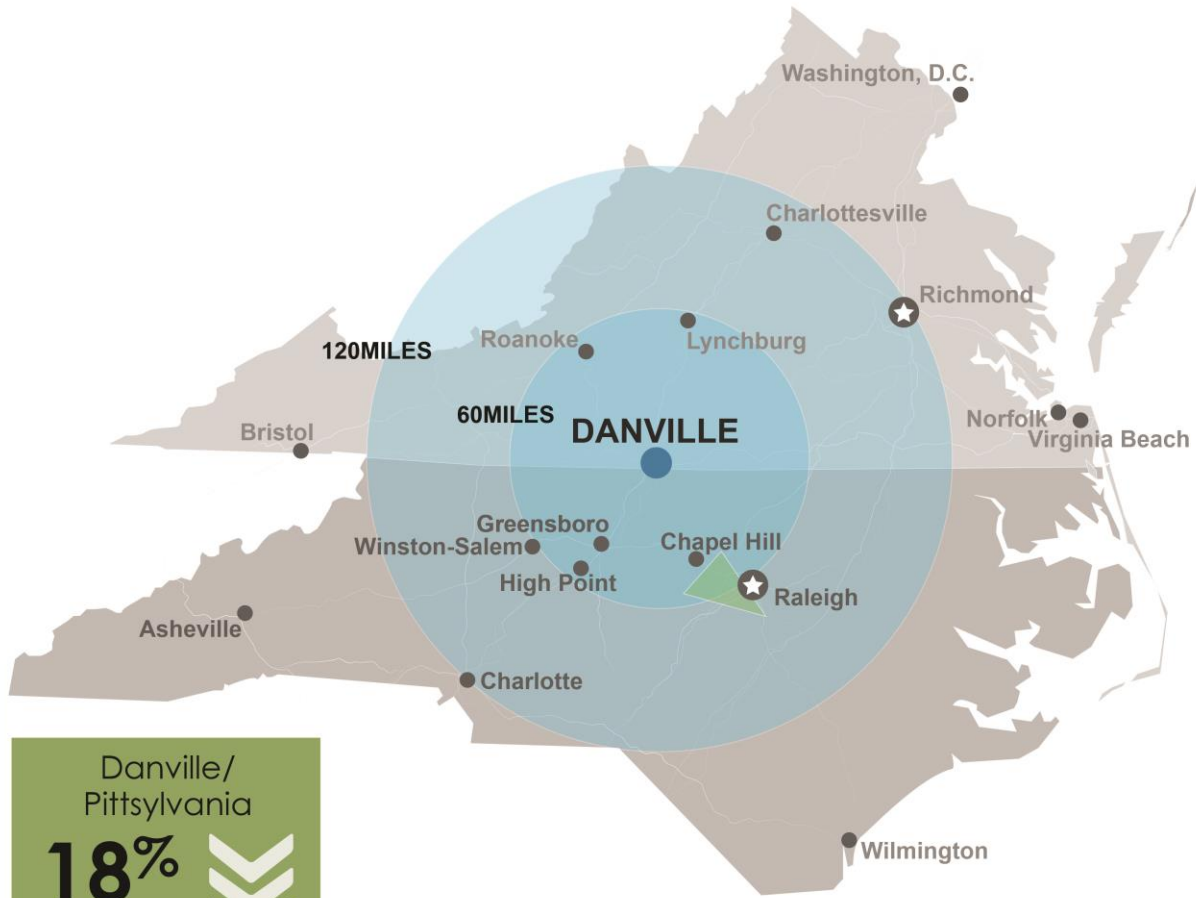
Danville, Virginia



The Area

- Textile and Tobacco community
- Manufacturing left the area
- Community decided to reinvent itself
 - Find ways to diversify and strengthen economy
 - Public and private funding
 - Danville Regional Foundation
 - River District Association (Great American Main Street Award – 2023)
 - Regional approach to economic development





National average

Danville/
Pittsylvania
**18%
LOWER** 

Low cost environment



Danville, Virginia

- **Danville City**

- Population: 43,055
- Labor Force: 19,140
- Employed: 17,989
- Unemployed: 1,151

- **Pittsylvania County**

- Population: 62,194
- Labor Force: 29,542
- Employed: 28,201
- Unemployed: 1,341



Caesars Virginia



- \$650M investment
- Late 2024 Opening
- Currently hiring 400 positions to open temporary casino
- 1300 people total



DANVILLE CITY PITTSYLVANIA COUNTY VIRGINIA

2018	2019	2020	2021	2022
 \$2.5 MILLION 90 JOBS	 \$46 MILLION 160 JOBS	 \$34 MILLION 200 JOBS	 \$45 MILLION 50 JOBS	 \$3.5 MILLION 26 JOBS
 \$5.8 MILLION 70 JOBS	 \$57.8 MILLION 703 JOBS	 \$500 MILLION 1,300 JOBS	 \$5.2 MILLION 27 JOBS	 \$3.5 MILLION 21 JOBS
 \$3.5 MILLION 15 JOBS	 \$42 MILLION 92 JOBS	 \$800 THOUSAND 15 JOBS	 \$12 MILLION	
 \$31.2 MILLION 45 JOBS	 \$1.9 MILLION 8 JOBS	 \$3.5 MILLION 150 JOBS	 \$7.15 MILLION 46 JOBS	
 \$1 MILLION 15 JOBS	 \$330 THOUSAND 11 JOBS	 \$500 THOUSAND 45 JOBS	 \$6.445 MILLION 45 JOBS	
 \$8 MILLION 49 JOBS		 \$1.1 MILLION 48 JOBS	 \$300 MILLION 376 JOBS	
 \$15.1 MILLION 300 JOBS	\$1,133,225,000 TOTAL BILLION INVESTMENT 3,969 TOTAL NEW JOBS		 \$1.7 MILLION 62 JOBS	

- Zollner Elektronik – 80 jobs



Danter Housing Study

- The City commissioned a housing market analysis and identified a need for a variety of housing options within the city limits, based on current and expected future demand.
- A presentation by DANTER/Economic Development Strategies, LLC of the findings was given during the Southern Virginia Regional Housing Summit in Danville on August 18, 2022.
- The [Executive Summary](#) provides more information.
- The following is a link to the presentation: [Danville Housing Demand Analysis](#).



Current Demand for Housing

- 606 Single Family Homes valued at over \$250,000
 - 196 in the \$250,000 - \$299,999 range
 - 209 in the \$300,000 - \$399,000 range
 - 88 in the \$400,000 - \$499,999 range
 - 113 in the \$500,000+ range
- 760 Apartments with rents between \$700 to \$1,500 per month
- There are 3,355 existing renters with incomes that can support modern quality rental products. However, there are only 538 units within this category.
- There are over 600 existing renters age 62+ with incomes that would support modern rental products. Nearly all the existing rental products on the market are not senior friendly.



Expected New Demand for Housing

Since 2018, Danville and Pittsylvania County have announced over 3,900 new jobs that will impact the Danville region within the next 18 months. These jobs would support:

- 1,563 additional apartments
 - 990 Workforce apartments (\$750 - \$1,000 per month)
 - 573 Upscale apartments (\$1,000 - \$1,500 per month)
- 234 additional single-family homes
 - 70 Entry level homes at less than \$300,000
 - 144 “Move up” homes at between \$300,000 - \$450,000
 - 20 “Upscale” homes at \$450,000+



Division Director

- Implement Recommendations from the Danter Study
 - New Development (All Incomes)
 - Single Family
 - Multifamily
 - Work with Economic Development to show Adaptive Reuse Spaces
- New Event – Danville Housing Extravaganza in partnership with Association of Realtors, Danville Redevelopment & Housing Authority (DRHA) and Danville Neighborhood Development Corporation (DNDC)- August 17, 2023, the Saturday after the Housing Summit
- Propose Residential Incentives to encourage development
- Monument Berryman Redevelopment Area RFPs in review process for redevelopment of 110 parcels – over 17 acres adjacent to the River District



Incentives for Developers

- The Housing Summit highlighted Danville’s need for housing opportunities, and developers listened.
- They are requesting information about buildable lots and how the City could help make their developments occur.

“Incentives are designed to reduce the rents or asking prices, which will reduce the risk to developers.”

Ken Danter



Proposed Real Estate Tax Grant for Developments: New Construction

Single Family

- Up to 15-year incentive (continues to the next buyer/homeowner when property is sold)
- Year 1 - 100%, Years 2-15 - 50%
- Must be a minimum investment of \$5M
- 50 or more houses
- Projects must meet City criteria as shown in the Danter Report

Multifamily

- Up to a 10-year incentive (continues to the next buyer if/when property is sold)
- Year 1 - 100%, Years 2-10 - 50%
- 60 or more units
- Minimum \$6M Investment
- Projects must meet City criteria as shown in the Danter Report



Real Estate Tax Abatement Program for Historic Properties – Suggested Revision

Enhance Our Tax Abatement Program to Encourage Mixed-Use, Multifamily Commercial Development

Amend Ordinance Article XI, Entitled “Partial Exemption of Real Estate Taxes for Certain Real Estate” of Chapter 37, Entitled “Taxation”

- Increasing it from 5 years up to a 15-year incentive (continues to the next buyer/homeowner when property is sold)
- Year 1 - 100%, Years 2-15 - 50%
- Must be a minimum investment of \$5M
- No less than 70% Residential/No more than 30% Commercial – Calculated by Square Footage
- Project must have final CO in two years
- Projects must meet City criteria as shown in the Danter Report
- This incentive **cannot** be layered with Community Development’s Housing Incentives



Incentive Timelines

Grant of the Increase of Assessment from Base Year

New Construction: Multifamily

- Year 1 – 100%
- Year 2 – 50%
- Year 3 – 50%
- Year 4 – 50%
- Year 5 – 50%
- Year 6 – 50%
- Year 7 – 50%
- Year 8 – 50%
- Year 9 – 50%
- Year 10 – 50%
- Year 11 - 0

New Construction: Single Family

- Year 1 – 100%
- Year 2 – 50%
- Year 3 – 50%
- Year 4 – 50%
- Year 5 – 50%
- Year 6 – 50%
- Year 7 – 50%
- Year 8 – 50%
- Year 9 – 50%
- Year 10 – 50%
- Year 11 – 50%
- Year 12 – 50%
- Year 13 – 50%
- Year 13 – 50%
- Year 15 – 50%
- Year 16 – 0%

Revised Real Estate Tax Abatement Program for Historic Properties

- Year 1 – 100%
- Year 2 – 50%
- Year 3 – 50%
- Year 4 – 50%
- Year 5 – 50%
- Year 6 – 50%
- Year 7 – 50%
- Year 8 – 50%
- Year 9 – 50%
- Year 10 – 50%
- Year 11 – 50%
- Year 12 – 50%
- Year 13 – 50%
- Year 13 – 50%
- Year 15 – 50%
- Year 16 – 0%



Permit Fee Grants and Waivers

Base Requirements

- Minimum investment
 - \$5M for single family
 - \$6M multifamily
- Minimum Number of Units
 - 50 or More Houses if Single Family
 - 60 or More Units if Multifamily
- Must meet City criteria as shown in the Danter Report
- Development must be completed in 5 years
- Example of fees: Building, Electrical, Mechanical, Plumbing, Zoning etc.
- **City fees only**



Preliminary Engineer Report/Financials

- Engineering document for IDA/DRHA-controlled sites
- May include site concept/suggested subdivision
 - Open spaces
 - Amenities
- Access route(s), costs to run infrastructure
- Mix of housing types and prices
- Must meet City criteria as shown in the Danter Report



Development/Site Preparation

Offered by Public Works and Utilities

- Roadwork Assistance
- Infrastructure Access to Site
- Current Challenges
 - Funding work to 10 homes/year; the City needs 80 homes to be built a year to keep up with pent-up demand
 - In the past, the applicant has not completed the work in time, so they have forfeited the incentive
 - The applicants are allowed to apply for this program again, which may prevent a larger development from receiving assistance



Infrastructure and Road Work Program: Added Requirements

New requirements for this program

- Case-by-case basis
- Minimum Number of Acreage to be Developed: 15 acres
- Minimum Number of Units:
 - 50 or More Houses if Single Family
 - 60 or More Units if Multifamily
- Minimum Capital Investment:
 - \$5M if Single Family
 - \$6M if Multifamily
- Both Utility Funds and General Fund should contain an amount in each CSP budget to accommodate requests and administration costs each year



Conditions and Fine Print

- Local Performance Agreements would be required with each incentive package
- Same conditions/fine print as with Economic Development projects
 - Examples
 - ✓ Current on all taxes and fees
 - ✓ Financial Capacity, Bank's Irrevocable Letter of Credit
 - ✓ Timeline and deliverables
 - ✓ Goals consistent with the Danter Housing Strategies Report
 - Capital Investment
 - Number of Units
 - Quantity
 - Listing Price for Houses/Condos/Rental Price for Unit



Zoning Ordinance Amendment

New Incentive for Developers

Curb and Gutter are not required in new developments

✓ Council passed this in March 2023



Incentives for Home Buyers and Renters

Down Payment Assistance Grants

- Work with DRHA
- Applicants meeting certain criteria are eligible for up to \$5,000 for down payment assistance
- Criteria: 81-95% of AMI using HUD guidelines, \$41,795-\$49,019
 - *DRHA assists persons 80% and below AMI*

Deposit Assistance Grants

- Applicants meeting criteria are eligible for up to \$500 for rental deposit assistance.
- Criteria: 81-95% of AMI using HUD guidelines, \$41,795-\$49,019



Program Ideas

First-Time Homebuyers Fix-Up Fund

- The first-time home buyer would choose a home and work with their bank to prequalify for a loan
- If qualified, the potential home buyer would apply for a grant to pay a contractor up to \$5,000 to complete the items needed to be fixed so that the property would pass the inspection
- Receipts would need to be presented that verify expenses
- The City would partner with hopefully DRHA to implement this program
- This program could remove a barrier to selling to first-time homebuyers; sellers would not have to invest the funds to fix up their homes and could sell to a buyer who will occupy the home



Spruce-up Middle Neighborhood Funds

- A ripple effect incentive
- Neighborhoods consisting of 5 or more unrelated homeowners at 95% or below AMI
- Grant is for up to \$20,000 for homeowners to touch up, repair, add green space to improve curb appeal
- Neighborhoods must apply as a team
- Each property owner submits a funding request for façade/curb appeal improvements for up to \$3,000 per house
- Houses must be owner-occupied, and a neighborhood must be at least 5 homes.
- Maximum \$25,000 per neighborhood
- This could be something a nonprofit or organization decides to manage and implement
- Lots of outreach would be needed



Programs to Support Housing Development

Establish

A Housing Trust Fund

Establish

Several Housing Rehabilitation Zones (36-55.64) so that developers could seek loan assistance from VA Housing

Explore

A Community Development Authority – should a community or a group of landowners wish for one, this is able to be established with the private sector, which becomes another tool we can aid with or use

Investigate

Establishing Neighborhood Commissions



Marketing Danville's Housing Opportunities to Developers and Homebuyers

- The housing program information could be added as an additional feature to our website.
- Developers and Prospects could research Danville's programs and conduct site visits before they contact the City.
- Example: Invest Atlanta



How We Help

Impact & Insights

About Us

Search

Get Started

Why Build in Atlanta?

Opportunities & Incentives

Brownfield Revolving Loan Fund

Grant Programs & RFPs

New Markets Tax Credits

Preliminary Development Assistance

Property Assessed Clean Energy (PACE) Program

[Residential Housing Incentives](#)



Residential Housing Incentives

One of Invest Atlanta's core competencies is real estate finance, and we administer several loan programs for the development of workforce housing.

Thank you!

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