



Ralph S. Northam
Governor

R. Brian Ball
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

Erik C. Johnston
Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

June 16, 2020

MEMORANDUM

TO: Board of Housing and Community Development Members

FROM: Kyle Flanders

SUBJECT: June 26, 2020 Board of Housing and Community Development Meeting

Enclosed is the agenda and information package for the Board of Housing and Community Development meeting to be held on Friday, June 26. A public hearing on the proposed regulations will be held at 10:00 a.m. The public hearing will be followed by the regular public comment before the Board. The full Board will adjourn to a meeting of the Codes and Standards Committee. Upon conclusion of the Codes and Standards Committee the Housing and Community Development Committee will meet. The last meeting of the day will be the regular meeting of the Board.

The public hearing and Board meeting will be held electronically in accordance with the Appropriations Act. The following link will provide entrance to the virtual meeting room - https://vadhcd.adobeconnect.com/bhcd_june2020/. Additional details and guidance regarding Adobe Connect is included within the email accompanying the Board package. **Please work to schedule a time through me in advance of the board meeting to get comfortable with Adobe Connect. Please also, sign into the board meeting 30 minutes in advance to ensure we can help you work through any technical issues.**

If you will not be able to attend the Board meeting, please contact me as soon as possible. I can be reached by e-mail at kyle.flanders@dhcd.virginia.gov or by telephone at 804-786-6761. Please let me know if you have any questions or if I can be of assistance.

Enclosure

AGENDA

BOARD OF HOUSING and COMMUNITY DEVELOPMENT PUBLIC HEARING on PROPOSED REGULATIONS

10:00 a.m.

Friday, June 26, 2020

Virtual Meeting Only - https://vadhcd.adobeconnect.com/bhcd_june2020/

Registration is not required to comment though it is requested that individuals who wish to speak send their name and the code(s) which they wish to provide comment on to

kyle.flanders@dhcd.virginia.gov

- I. OPENING
 - a. Call to Order Chairman
 - b. Introductions Chairman

- II. PUBLIC HEARING
 - a. STATEWIDE FIRE PREVENTION CODE Chairman
(Board of Housing and Community Development
and Fire Services Board to meet jointly)

 - b. UNIFORM STATEWIDE BUILDING CODE Chairman

 - c. VIRGINIA AMUSEMENT DEVICE REGULATIONS Chairman

 - d. INDUSTRIALIZED BUILDING SAFETY REGULATIONS Chairman

AGENDA

BOARD OF HOUSING and COMMUNITY DEVELOPMENT

Friday, June 26, 2020

Virtual Meeting Only - https://vadhcd.adobeconnect.com/bhcd_june2020/

Regular Public Comment before the Board will begin after the public hearing, the remainder of the agenda will begin at the conclusion of the Housing and Community Development Committee

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|-------|---|-----------------|
| I. | OPENING | |
| | a. Call to Order | Chairman |
| | b. Roll Call | Kyle Flanders |
| | c. Public Comment | Chairman |
| II. | CONSENT AGENDA | Chairman |
| | o <i>Approval of Minutes</i> : January 28, 2020 | |
| III. | REPORT of the CODES and STANDARDS COMMITTEE | Committee Chair |
| | <i>Action Items</i> | |
| | o Adopt Final Cooling Regulations | |
| | o Adopt Updated Tentative Code Change Schedule | |
| IV. | REPORT of the HOUSING and COMMUNITY DEVELOPMENT COMMITTEE | Committee Chair |
| | <i>Action Items</i> | |
| | o Adopt Virginia Housing Trust Fund Allocations | |
| | o Adopt Communities of Opportunity Guidelines | |
| V. | AMUSEMENT DEVICE TECHNICAL ADVISORY COMMITTEE (ADTAC) | |
| | <i>Action Item</i> | |
| | o Appointment | |
| VI. | REPORTS AND INFORMATION | |
| | a. Virginia Housing Report | Susan Dewey |
| | b. Report of the Virginia Fire Services Board | Richard Gregory |
| | c. Report of the Director | Erik Johnston |
| VII. | UNFINISHED BUSINESS | Board members |
| VIII. | NEW BUSINESS | Board members |
| IX. | BOARD MATTERS | Board members |

X. FUTURE BOARD MEETING DATES

Erik Johnston

- August 2020 (*tentative virtual meeting*)
- September 28, 2020
- October 19, 2020
- December 14, 2020

XI. ADJOURNMENT

Chairman

AGENDA

BOARD OF HOUSING and COMMUNITY DEVELOPMENT

Codes and Standards Committee

Friday, June 26, 2020

Virtual Meeting Only - https://vadhcd.adobeconnect.com/bhcd_june2020/

To begin at the conclusion of the Regular Public Comment

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|------|--|---------------|
| I. | OPENING | |
| | a. Call to Order | Chairman |
| | b. Roll Call | Kyle Flanders |
| II. | CONSENT AGENDA | Chairman |
| | o <i>Approval of Minutes</i> : December 16, 2019 | |
| III. | FINAL REGULATIONS | Chairman |
| | <i>Actions Item</i> | |
| | o Uniform Statewide Building Code: Cooling Regulations | |
| IV. | CODE CHANGE SCHEDULE | DHCD Staff |
| | <i>Action Item</i> | |
| V. | UNFINISHED BUSINESS | Board members |
| VI. | NEW BUSINESS | Board members |
| VII. | ADJOURNMENT | Chairman |

AGENDA

BOARD OF HOUSING and COMMUNITY DEVELOPMENT

Housing and Community Development Committee

Friday, June 26, 2020

Virtual Meeting Only - https://vadhcd.adobeconnect.com/bhcd_june2020/

To begin at the Conclusion of the Codes and Standards Committee

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|------|---|---------------|
| I. | OPENING | |
| | a. Call to Order | Chair |
| | b. Roll Call | Kyle Flanders |
| II. | CONSENT AGENDA | Chair |
| | o <i>Approval of Minutes</i> : January 28, 2020 | |
| III. | ANNUAL ACTION PLAN UPDATE | DHCD Staff |
| IV. | VIRGINIA HOUSING TRUST FUND ALLOCATIONS | DHCD Staff |
| | o <i>Action Item</i> | |
| V. | COMMUNITIES OF OPPORTUNITY GUIDELINES | DHCD Staff |
| | o <i>Action Item</i> | |
| VI. | NEW BUSINESS | Board members |
| VII. | ADJOURNMENT | Chair |

BOARD OF HOUSING AND COMMUNITY DEVELOPMENT
Codes and Standards Committee
MEETING
10:15 A.M., December 16, 2019
Glen Allen, Virginia

Members Present

Sonny Abbasi
Sean Farrell
Andrew Friedman
Richard Gregory
Helen Hardiman
Abby Johnson
Keith Johnson
Brett Meringoff (10:22 a.m.)
Earl Reynolds
Jeff Sadler
Steve Semones
Patricia “Patty” Shields

Members Absent

Mimi Elrod

- | | |
|--|--|
| Call to Order | Mr. Sonny Abbasi, Chairman of the Codes and Standards Committee, called the meeting to order at 10:15 a.m. |
| Roll Call | The roll was called by Mr. Kyle Flanders of the Department of Housing and Community Development’s (DHCD) Policy Office. Mr. Flanders reported that a quorum was present. |
| Approval of Minutes | A motion was made and properly seconded to approve the minutes of the September 16, 2019, meeting of the Committee; the motion passed. |
| Report of the Statewide Fire Prevention Code | Mr. Steve Semones, Chairman of the Statewide Fire Prevention Code Development Committee reported the committee recommendations.

After discussion, Ms. Helen Hardiman seconded the standing motion to adopt the proposed regulations for the Statewide Fire Prevention Code. The motion passed on a 10-1 vote. |
| Proposed Regulations | A motion was made and seconded to adopt proposed regulations for the Uniform Statewide Building Code. The motion passed unanimously. |

A motion was made and seconded to adopt proposed regulations for the Industrialized Building Safety Regulations. The motion passed unanimously.

A motion was made and seconded to adopt proposed regulations for the Virginia Amusement Device Regulations. The motion passed unanimously.

A motion was made and seconded to adopt proposed regulations for the Virginia Certification Standards. The motion passed unanimously.

A motion was made and seconded to adopt proposed regulations for the Manufactured Home Safety Regulations. The motion passed unanimously.

Mandatory Energy
Training

Mr. Abbasi yielded the floor to Ms. Cindy Davis, Deputy Director of Building and Fire Regulation at DHCD to summarize the proposed mandatory energy training.

Ms. Sandra Morris, Director of the Jack A. Proctor Virginia Building Code Academy was recognized. Ms. Morris read aloud an email of support addressed from the Building Code Academy Advisory Committee for the proposed mandatory energy training.

After discussion, a motion was made and seconded to approve the policy change. The motion passed unanimously.

Code Change Schedule

Ms. Davis summarized the status of the code change process and the schedule for the final phase of the process.

A motion was made and seconded to approve the code change cycle schedule. The motion passed unanimously.

Unfinished Business

There was no unfinished business to be discussed.

New Business

There was no new business to be discussed.

Adjournment

Upon a motion duly made and seconded, the meeting was adjourned.

BOARD OF HOUSING AND COMMUNITY DEVELOPMENT
Housing and Community Development Committee
10:08 A.M., January 28, 2020
Richmond, Virginia

Members Present

Sonny Abbasi
Susan Dewey
Richard Gregory (10:20)
Helen Hardiman
Keith Johnson (10:21)
Brett Meringoff
Steve Semones
Patricia Shields (10:10)

Members Absent

Mimi Elrod
Andrew Friedman
Earl Reynolds

Call to Order	Ms. Helen Hardiman, Chair of the Housing and Community Development Committee, called the meeting to order at 10:08 a.m.
Roll Call	The roll was called by Mr. Kyle Flanders of the Department of Housing and Community Development's (DHCD) Policy Office. Mr. Flanders reported that a quorum was not present.
Housing Updates	<p>Ms. Pamela Kestner, Deputy Director of Housing at DHCD provided an overview and update on the US Department of Housing and Urban Development (HUD) required Consolidated Plan and the Annual Action Plan.</p> <p>After discussion, staff indicated to Ms. Hardiman that a quorum was now present.</p>
Approval of Minutes	A motion was made and properly seconded to approve the minutes of the September 16, 2019, meeting of the Committee; the motion passed.
Enterprise Zone Withdrawal	Mr. Flanders gave the committee an overview of the Enterprise Zone Action/Notice of Intended Regulatory Action (NOIRA) that had been posted to Town Hall and the Virginia Register in 2009/2010. He explained that there had not been further action by the Board regarding this item and subsequent, separate changes had been made to the Enterprise Zone regulations. Mr. Flanders recommended that the Action/NOIRA be withdrawn. Mr. Erik Johnston, Director of DHCD, indicated the withdrawal would not impact the current

regulations. A motion was made and properly seconded to withdraw the NOIRA. The motion passed.

Industrial Revitalization
Fund Guidelines

Ms. Rebecca Rowe, Associate Director of Community Development at DHCD provided an overview of the Industrial Revitalization Fund (IRF) program. She noted that the proposed changes to the guidelines were presented at various input sessions and via direct solicitation of previous grantees and applicants. No written feedback had been received and verbal comments were positive or neutral. A motion was made and properly seconded to adopt the amended guidelines. The motion passed.

Unfinished Business

There was no unfinished business to be discussed.

New Business

There was no new business to be discussed.

Adjournment

Upon a motion duly made and seconded, the meeting was adjourned.

**BOARD OF HOUSING AND COMMUNITY DEVELOPMENT
MEETING
10:25 A.M., January 28, 2020
Richmond, Virginia**

Members Present

Sonny Abbasi
Susan Dewey
Sean Farrell
Richard Gregory
Helen Hardiman
Keith Johnson
Brett Meringoff
Steve Semones
Patricia “Patty” Shields

Members Absent

Mimi Elrod
Andrew Friedman
Abigail Johnson
Earl Reynolds
Jeff Sadler

Call to Order	Mr. Steve Semones, Chairman of the Board of Housing and Community Development, called the meeting of the Board to order at 10:25 a.m.
Roll Call	The roll was called by Mr. Kyle Flanders of the Department of Housing and Community Development’s (DHCD) Policy Office. Mr. Flanders reported that a quorum was present.
Public Comment	There was no comment.
Approval of Minutes	A motion was made and properly seconded to approve the minutes of the December 16, 2019, meeting of the Board; the motion passed.
Resolution	Mr. Semones presented Mr. John Patrick Carr a resolution thanking him for his tenure and leadership on the Board of Housing and Community Development.
Report of the Housing and Community Development Committee	Ms. Helen Hardiman, Committee Chair, summarized the recommendations of the Housing and Community Development Committee. A standing motion from the committee was properly seconded to approve amended guidelines for the Industrial Revitalization Fund. The motion passed.

A standing motion from the committee was properly seconded to approve the withdrawal of a Notice of Intended Regulatory Action (NOIRA) relating to the Enterprise Zone Program. The motion passed.

Housing and Community Development

Ms. Pamela Kestner, Deputy Director of Housing at DHCD provided an overview of homeless programs as well as related data and data collection methods at both the state and local level.

Reports and Information

Ms. Susan Dewey, Chief Executive Officer of Virginia Housing, provided an update on the plan to address housing affordability in connection the upcoming construction of Amazon's HQ2 in Northern Virginia. She noted that \$75 million over the next five years is being dedicated by VHDA to affordable housing in Northern Virginia.

Mr. Richard Gregory reported that the next Virginia Fire Services Board meeting is scheduled to take place in February.

Mr. Erik Johnston, Director of DHCD, noted that DHCD staff would provide a full legislative update to the Board during the March meeting. Mr. Johnston also gave an overview of the Governor's announcements related to Housing and Community Development since the last Board meeting.

Unfinished Business

Mr. Flanders noted that regulations approved at December's meeting are scheduled to be published in the Virginia Register on February 3. He noted that a public comment forum will be available via Town Hall, email, mail, fax, etc.

New Business

There was no new business to be discussed.

Board Matter

Mr. Flanders noted that the deadline for completion of conflict of interest disclosure forms was February 3.

Future Meetings

Mr. Johnston notified the Board that the next meeting will take place on March 16th and would include a public hearing. The following two meetings will take place on May 11th and June 26th.

Adjournment

Upon a motion duly made and seconded, the meeting was adjourned.



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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

June 16, 2020

Memorandum

To: Board of Housing and Community Development Members

From: Erik C. Johnston, Director

RE: Cooling Regulations

At the September 2019 meeting, the Board adopted Proposed Cooling Regulations based on a previously approved Emergency Regulation. The change amends 13VAC5-63-540 B 5 of the Virginia Maintenance Code (VMC) to lower from 80 to 77 degrees Fahrenheit, the maximum allowed temperature, where cooling is provided, in R-2 multifamily residences. Since adoption and approval of the Emergency Regulation, the regulation has included the following opportunities for input:

- Public comment through a Notice of Intended Regulation Action (NOIRA)
- A public hearing before the Board on July 22, 2019
- Discussion as a proposal in the combined workgroup on August 15, 2019
- A 60 day comment period for the proposed regulations
- A public hearing in December 2019

To date, there has not been opposition to the change in its current form. To permanently codify the change, staff recommends the Board approve the “final” regulation in its current form (no change from the text of the Emergency or Proposed Regulation). Approval of the final regulation will follow with publication in the Virginia Register and a 30-day final adoption period. Pending any petitions, the regulation will become permanently effective at the close of the final adoption period.

Final regulation:

5. Section 602.4 Cooling supply. Every owner and operator of a Group R-2 apartment building who rents, leases, or lets one or more dwelling units, rooming units, or guestrooms on terms, either expressed or implied, to furnish cooling to the occupants thereof shall supply cooling during the period from May 15 to October 1 to maintain a temperature of not more than ~~80°F (27°C)~~ 77°F (25°C) in all habitable rooms. The code official may also consider modifications as provided in Section 104.5.2 when requested for unusual circumstances or may issue notice approving building owners to convert shared heating and cooling piping HVAC systems 14 calendar days before or after the established dates when extended periods of unusual temperatures merit modifying these dates.

Exception: When the outdoor temperature is higher than the summer design temperature for the locality, maintenance of the room temperature shall not be required provided that the cooling system is operating at its full design capacity. The summer outdoor design temperature for the locality shall be as indicated in the IECC.

Partners for Better Communities



www.dhcd.virginia.gov

**2018 Regulatory Cycle
FINAL PHASE**

Tentative Schedule

February 3, 2020	Proposed regulations for SFPC, USBC, VADR and IBSR published in Virginia Register. Public hearing date published with the regulations.
Feb. – June 26, 2020	Public comment period on proposed regulations for SFPC, USBC, VADR and IBSR.
May 2020	Provide notice to the VFSB of the public hearing date.
June 26, 2020	Public hearing for SFPC, USBC, VADR and IBSR (VFSB members to sit with BHCD for public hearing on SFPC).
June 26, 2020	End Proposed Phase public comment period.
July 3, 2020	Deadline for submittal of proposals for 2018 SFPC, USBC, VADR and IBSR.
Mar. – Aug. 2020	Workgroup meetings on proposals and issues.
Sept. 2020	BHCD’s SFPCDC meets to consider proposals for final regulation for the SFPC. BHCD’s CSC meets to consider proposals for final regulations for the SFPC, USBC, VADR and IBSR.
November 2020	Notification to VFSB of December joint meeting.
Nov./Dec. 2020	BHCD’s SFPCDC meets to review final regulation for SFPC. BHCD’s CSC meets to review final regulation for SFPC as recommended by SFPCDC and to review final regulations for USBC, VADR and IBSR. Immediately following Committee meetings, the joint meeting of VFSB and BHCD to consider approval of final regulations for SFPC followed by BHCD to consider approval of final regulations for the SFPC, USBC, VADR and IBSR.
Dec./Jan 2020-21	Obtain statutory authority letter from Office of Attorney General for final regulations and obtain permission from Secretary of Commerce and Trade and Governor’s Office to publish final regulations.
Jan. – Mar. 2021	Final regulations for SFPC, USBC, VADR and IBSR published in Virginia Register.
July – Sept. 2021	2018 SFPC, USBC, VADR and IBSR become effective (pending any petitions received during the 30-day final adoption period following the publishing of the final regulations).

DHCD's HUD Appropriation as of 6/16/2020

Program	2019/2020	2020/2021	CARES Act CV-19
Community Development Block Grant (CDBG)	\$18,152,427	\$18,711,859	\$31,240,596
HOME Investment Partnership	\$9,890,363	\$10,662,286	NA
Emergency Solutions Grants (ESG)	\$2,885,391	\$3,008,913	\$30,977,115
Housing Opportunities for Persons with AIDS (HOPWA)	\$1,087,223	\$1,224,634	\$178,219
National Housing Trust Fund (HTF)	\$4,432,124	\$6,168,995	NA
Total	\$36,447,528	\$39,776,687	+\$62,395,930

CDBG Appropriation 2020 – 2021 Proposed Uses*	2020/2021 Original	2020/2021 Revised	CARES ACT CV-19
DHCD's CDBG appropriation	\$18,711,859	\$18,711,859	\$31,240,596
Program Income	\$93,436	\$93,436	
Recaptured Funds	\$1,400,000	\$1,400,000	
Carry-Over Funds	\$11,990,296	\$11,990,296	
Total	\$32,195,591	\$32,195,591	
Proposed Uses			
State Administration	\$474,237	\$474,237	
State Technical Assistance	\$187,118	\$187,118	
Planning Grants	\$1,000,000	\$1,000,000	
Prior Year Funding Commitments	\$2,143,875	\$2,143,875	
Vibrant Community Initiative	\$1,275,000		
CDBG Competitive Round	\$15,965,361	\$11,000,000	
CDBG Open Submission (including Urgent Need, Regional Water/Wastewater)	\$11,150,000	\$17,390,361	
Total *including public service as an eligible activity	16 \$32,195,591	\$32,195,591	\$31,240,596 2

HOME Appropriation 2020-21 Proposed Uses	2020/2021 Original	2020/2021 Revised
DHCD's HOME appropriation	\$10,662,286	\$10,662,286
Program Income	\$650,000	\$724,214
Recaptured Funds	\$0	\$0
Total	\$11,312,286	\$11,386,500
Proposed Uses		
Affordable and Special Needs Housing Program (ASNH)	\$6,526,057	\$7,547,851
Homeownership (Down Payment Assistance)	\$1,500,000	\$1,500,000
CHDO Operating	\$90,000	\$200,000
Vibrant Community Initiative (VCI)	\$2,000,000	\$0
State Administration (ten percent of appropriation and ten percent of program income)	\$1,196,229	*\$2,138,649
Total	\$11,312,286	\$11,386,500

*Admin funds can be reprogrammed, at any time, for project costs in the event that funds are not needed for Administration. This will provide DHCD flexibility as federal COVID funding is finalized. VCI projects are comprehensive and take a long time to build out. VCI is on pause in order to direct funds to immediate needs and DHCD will reevaluate VCI program timeline after COVID response needs are fully analyzed.

Virginia State Housing Trust Fund	2019/2020 Approved Budget	2019/2020 Amended	2020/2021 Current Proposed	2020/2021 Proposed in Final Budget – TBD in Special Session
DHCD's appropriation	\$7,000,000	\$14,000,000	\$7,000,000	\$30,000,000
Proposed Uses				
Affordable and Special Needs Housing Program (ASNH)	\$4,600,000	\$9,976,000	\$4,032,000	TBD
Homeless Reduction Grants	\$1,260,000	\$2,744,000	\$2,688,000	TBD
Vibrant Community Initiative	\$1,000,000	\$1,000,000	\$0	TBD
State Administration (2% to 4% in 2020/2021)	\$140,000	\$280,000	\$280,000	TBD
Total	\$7,000,000	\$14,000,000	\$7,000,000	\$30,000,000



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COMMONWEALTH of VIRGINIA

Erik C. Johnston
Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

June 16, 2020

Memorandum

To: Board of Housing and Community Development Members

From: Erik C. Johnston, Director

RE: Virginia Housing Trust Fund Allocations

The Virginia Housing Trust Fund (the Fund) is a resource provided by state general funds to support the creation and preservation of affordable housing as well as efforts to reduce and end homelessness. Under the Code of the Virginia and the Appropriations Act, the Board and the Department have certain roles and responsibilities regarding allocation of funding, development of program guidelines, and other items related to the Fund. Specifically, the Board is directed in the Code of Virginia to, “Determine the categories of housing programs, housing sponsors and persons and families of low and moderate income eligible to participate in grant or loan programs of the Virginia Housing Trust Fund and *designate the proportion of such grants or loans to be made available in each category.*”

Since the creation of the Fund, loans through the Affordable and Special Needs Housing (ASNH) loan program and grants through the Homeless Reduction Grant program have been the vehicle for utilizing the Fund. The Fund has historically been split, as required in Code, with 80 percent designated for ASNH loans and the remaining 20 percent to be used for Homeless Reduction Grants. Administrative funds of two percent have been utilized to administer the loan and grant funds.

In the 2020 Appropriation Act, authority is given to utilize the Fund outside the normal proportions prescribed in Code. This temporary change has been made to allow the Fund to be responsive to the needs of the COVID 19 pandemic. Based on [public input](#), coupled with challenges associated with utilizing federal funding for certain populations at risk of homelessness (notably youth and seniors), DHCD recommends a realignment of funding proportions to permit additional funds to be used for Homeless Reduction Grants. The pandemic has increased need for direct grant services to address the housing needs of vulnerable populations. Additionally, DHCD is recommending additional funding to support the administration of grant and loan funds. Similar federal funding through HOME allows for 10 percent in administrative costs. Stakeholders were surprised to learn that DHCD was able to administer the funds with only 2 percent administrative costs and supported increasing to 4 percent to ensure delivery and administration is sufficient.

The current appropriated amount for the upcoming fiscal year is \$7 million. The upcoming special session of the General Assembly will determine if the fund increases to \$30 million. DHCD will work on deploying the \$7 million until the decision on additional funds is finalized.

DHCD recommends the Board designate the proportion of such grants and loans from the Virginia Housing Trust fund as follows:

- Four percent of the total amount to be used for administrative purposes
- From the Remainder of funds (total, less administration):
 - 60 percent – To be used for loans through the Affordable and Special Needs Housing program designated for the creation or preservation of affordable housing.
 - 40 percent – To be used for Homeless Reduction Grants to assist in efforts to end homelessness. Any unused funds will revert to the loan pool.

In the coming months there is expected to be additional information regarding allocation and use of federal funding available through the CARES Act. Additionally, more information is expected on final figures for Virginia’s budget. As this information becomes available, we will provide updates to the Board and may request additional input and/or approval in order to effectively utilize funding sources to support the creation and preservation of affordable housing and to work towards the goal of ending homelessness.



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Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

June 16, 2020

Memorandum

To: Board of Housing Community Development Members

From: Erik Johnston, DHCD Director

Subject: Communities of Opportunity Tax Credit Guidelines

As directed by state statute, the Department of Housing and Community Development (DHCD) administers the Communities of Opportunity Tax Credit (COTC) under guidelines approved by the Board of Housing and Community Development. This program incentivizes landlords by offering a state tax credit to rent to housing choice voucher tenants in areas of opportunity (census tracts with less than ten percent poverty). Currently, the program operates in the Richmond and Virginia Beach-Norfolk-Newport News Metropolitan Statistical Areas (MSA). Legislation ([Chapter 1032, Acts of Assembly 2020](#)) passed in the 2020 session of the General Assembly has expanded the geographic footprint of the program and will allow eligible landlords in the Washington-Arlington-Alexandria MSA to participate. The amount of available credits remains unchanged at \$250,000 per year. As a note, all of the credits were expended for tax year 2019.

Enclosed you will find the COTC Program Guidelines updated to include the new program areas as directed in statute. The application date has also been moved forward to accommodate an increase in applications. Staff recommends the Board approve the guidelines as presented.

Enclosure





**Communities of Opportunity –Virginia Tax Credit Program
Guidelines**

2020

Communities of Opportunity –Virginia Tax Credit

The Communities of Opportunity Program (COP) is a Virginia income tax credit program amended and reenacted by the 2020 General Assembly [§58.1-439.12:04 of the Code of Virginia]. It is intended to decentralize poverty by enhancing low-income Virginians' access to affordable housing units in higher income areas. To do this, COP provides Virginia income tax credits to landlords with property in less-impoverished areas within the Washington-Arlington-Alexandria, Richmond or Virginia Beach-Norfolk-Newport News MSAs who participate in the Housing Choice Voucher program.

Definitions

Qualified census tracts are those census tracts that have less than a ten percent of poverty rate based on the most current U.S. Census data.

Eligible properties include one or more units where the landlord has in place a Housing Choice Voucher Housing Assistance Payments (HAP) contract (s) for all or part of a tax year (effective **January 1, 2020**). Units must have in place executed Housing Choice Voucher Housing Assistance Payments (HAP) contract (s) with the public housing authority (PHA) or PHA contractor for the tax year. All units must be determined to be rent reasonable and pass PHA or contractor Housing Quality Standards within a year of the applicable tax year.

All eligible properties/units must be located in one of the qualified census tracts within the Washington- Arlington-Alexandria, Richmond or Virginia Beach-Norfolk-Newport News MSAs (see eligible areas).

If a parcel of real property contains four or more dwelling units, then the total number of qualified units on the parcel is limited to 25 percent of the total number of dwelling units on that parcel.

Eligible landlords may be an individual, trust, general partnership, limited partnership (LP), limited liability partnership (LLP), limited liability company (LLC), or elected small business corporation (S corporation). All eligible landlords must be subject to the Virginia Residential Landlord and Tenant Act (VRLTA) in order to be eligible for participation in the Communities of Opportunities Virginia Tax Credit Program.

Eligible Program Area

COP is targeted to landlords leasing qualified housing units located in census tracts with poverty rates of less than ten percent in the Richmond and Virginia Beach-Norfolk-Newport News MSAs. The Richmond MSA includes 20 cities/counties.

Qualified housing units must be located in a qualified census tract in one of the following cities/counties:

Richmond Metropolitan Statistical Area (MSA): includes the following cities/counties	Primary Public Housing Authority*
Chesterfield County	VHDA
Henrico County	VHDA
City of Richmond	Richmond RHA, VHDA
Hanover County	VHDA
Prince George County	VHDA
City of Petersburg	Petersburg RHA, VHDA
Louisa County	VHDA
Powhatan County	VHDA
Caroline County	VHDA
Dinwiddie County	VHDA
City of Hopewell	Hopewell RHA, VHDA
Goochland County	VHDA
City of Colonial Heights	VHDA
New Kent County	VHDA
King William County	VHDA
Amelia County	VHDA
Sussex County	VHDA
Cumberland County	VHDA
Charles City County	VHDA
King and Queen County	VHDA

*Listed is the primary Housing Authority for that county/city, but vouchers from any public housing authority may be eligible

The Virginia Beach-Norfolk-Newport News includes 14 cities/counties.

Qualified housing units must be located in a qualified census tract in one of the following cities/counties:

Virginia Beach, VA Metropolitan Statistical Area (MSA): includes the following cities/counties	Primary Public Housing Authority*
Gloucester County	VHDA
Isle of Wight County	Suffolk RHA
James City County	Williamsburg RHA
Mathews County	VHDA
York County	VHDA
City of Chesapeake	CRHA
City of Hampton	HRHA
City of Newport News	Newport News RHA
City of Norfolk	NRHA
City of Poquoson	VHDA
City of Portsmouth	PRHA
City of Suffolk	Suffolk RHA
City of Virginia Beach	VA Beach Housing & Neighborhood Preservation
City of Williamsburg	Williamsburg RHA

*Listed is the primary Housing Authority for that county/city, but vouchers from any public housing authority may be eligible

The **Washington- Arlington-Alexandria** MSA includes 15 cities/counties.

Qualified housing units must be located in a qualified census tract in one of the following cities/counties:

Washington – Arlington – Alexandria Metropolitan Statistical Area (MSA): includes the following cities/counties	Primary Public Housing Authority*
City of Alexandria	ARHA
Arlington County	Arlington Co Dept of Human Services
Clarke County	VHDA
City of Fairfax	FCRHA
Fairfax County	FCRHA
Fauquier County	VHDA
City of Falls Church	Fairfax Co DHCD
City of Fredericksburg	VHDA
Loudoun County	Loudoun Co Dept of Family Services
City of Manassas	VHDA
City of Manassas Park	VHDA
Prince William County	Pr William Office of Housing and CD
Warren County	VHDA
Spotsylvania County	VHDA
Stafford County	VHDA

*Listed is the primary Housing Authority for that county/city, but vouchers from any public housing authority may be eligible

To determine if a specific property is located in an eligible census tract in the **Washington- Arlington-Alexandria**, Richmond MSA or Virginia Beach-Norfolk-Newport News MSAs, follow link below and enter address:

<http://www.ffiec.gov/Geocode/default.aspx>

Address Search Instructions

1. Type in address and select “Search” (at current, must users must use 2019 from the dropdown menu “Year”)
2. Select “Census Demographic Data”
3. Select “Income Data”
4. Under “% Below Poverty Line”, the percentage must be below ten percent

Tax Credits

The amount of tax credit for an eligible property will be based on ten percent of annual Fair Market Rent for that specific unit and prorated when units are qualified for less than the full tax year. Pro rations will be based on full calendar months.

A landlord may receive tax credits on one or more units within the same tax year.

Credits taken for any one tax year cannot exceed the tax liability for that year.

Credits not taken for the year in which they are allocated may be carried forward, but cannot be carried forward for more than five years.

Beginning in 2010 there was a total of \$450,000 per tax year that was available for tax credits for participating landlords. In 2013, the total tax year amount was reduced to \$250,000 per tax year that will be available for tax credits.

Applications must be received by **January 31** and will be processed by April 15. Tax credit certificates will be mailed to eligible landlords prior to the Virginia state tax deadline. Pass-through entities must file Form PTE with the Department of Taxation to allocate the credit.

Should eligible applications received by the **January 31** deadline exceed the available tax credit amount, it will be prorated based on the total amount of qualified requests received and the total amount of credits available.

Credits granted to partnership, limited liability companies, or elected small business corporation (S corporation) shall be allocated to the individual partners, members, or shareholders in proportion to their ownership or interest in such business entity. The landlord must assume responsibility for distributing credits in this manner.

Application Process

Landlord must sign, date, and submit the following a completed COP Tax Credit Application

Applications will only be accepted on DHCD's COP tax credit application forms. All forms must be attached and fully completed.

Incomplete or incorrect applications may result in ineligibility for COP tax credits.

DHCD will process each application and verify unit eligibility with the appropriate Housing Choice Voucher administrator. DHCD will determine tax credit allocations and issue eligible landlords a tax credit certificate. It is the landlord's responsibility to submit the tax certificate with the appropriate State tax return in order to use the allocated tax credit. For more information on how to claim the credit on your state tax return, see instructions for Schedule CR (individuals) OR 500CR (C-Corporations). In the cases where a landlord is comprised of multiple individuals, the landlord assumes the responsibility of distributing the tax credits to all partners.

COP complete application packages should be mailed to:

Department of Housing and Community Development
Communities of Opportunity Program, Dawn Scott
Main Street Centre
600 East Main Street, Suite 1100
Richmond, Virginia 23219

For questions please contact:

Dawn Scott
(804) 371-7142
dawn.scott@dhcd.virginia.gov
(804) 371-7000 (main office line)

Resources

Virginia Housing Search: <http://www.virginiahousingsearch.com/>

Eligible Property Search: <http://www.ffiec.gov/Geocode/default.aspx>

Communities of Opportunity Program: <https://lis.virginia.gov/cgi-bin/legp604.exe?201+ful+CHAP1032>

Landlord Tenant Resources: <https://www.dhcd.virginia.gov/landlord-tenant-resources>

Pass Through Entity (PTE) form (as updated by Dept. of Taxation):
<https://www.tax.virginia.gov/sites/default/files/taxforms/credits-subtractions-and-deductions/2019/pte-2019.pdf>



Ralph S. Northam
Governor

R. Brian Ball
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

Erik C. Johnston
Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

June 16, 2020

Memorandum

To: Board of Housing and Community Development Members

From: Erik C. Johnston, Director

RE: ADTAC Appointment

The Amusement Device Technical Advisory Committee (ADTAC) is a board-appointed committee created under §36-98.3 of the Code of Virginia. Currently, there is a vacancy for a code enforcement community representative on the committee. The vacancy is due to the retirement and resignation of Mr. Victor Purchase, Virginia Building and Code Officials Association (VBCOA) member and representative. The BHCD's policy directs staff to seek advisory members, as guided by stakeholder organizations, for the applicable category. The policy outlines that two of the five positions on the ADTAC are to represent the code enforcement community.

DHCD staff, in coordination with the VBCOA, solicited applications from the code enforcement community who have been participating in the Virginia Amusement Device Regulations (VADR) update process. The VBCOA solicited applications, conducted multiple interviews, and selected Casey Littlefield as its recommendation for the Board's consideration. DHCD staff has advised the applicant of the June 26, 2020 Board of Housing and Community Development meeting where the appointment will be considered. Staff has also advised the applicant that they are welcome to attend and express their interest in serving as an ADTAC member.

Enclosures

Partners for Better Communities



www.dhcd.virginia.gov



VIRGINIA BUILDING & CODE OFFICIALS ASSOCIATION
Letter of Recommendation

May 20, 2020

Mr. Travis Luter, Sr
Secretary to the State Building Code Technical Review Board
Code and Regulation Specialist
Department of Housing & Community Development
Division of Building & Fire Regulation
State Building Codes Office

Re: Amusement Device Technical Advisory Committee (ADTAC)

Mr. Luter

The Virginia Building and Code Officials Association's Nominations Committee provided a recommendation to the VBCOA Board of Directors for an ADTAC representative at our May 18th BOD meeting. On May 7th, the Nominations Committee voted after conducting multiple interviews for the representative position. After scoring the answers to a preset set of questions designed to determine the most qualified individual, the recommendation from the Nominations Committee to the VBCOA Board of Directors and now VBCOA's recommendation for our organization's representative on the Amusement Device Technical Advisory Committee is Casey Littlefield CBO, MCP Deputy Building Official, Goochland County clittlefield@goochlandva.us. Mr. Littlefield is an amusement device inspector and had taught amusement device inspection classes for the Jack Proctor Building Code Academy for many years.

I humbly please accept VBCOA's recommendation to accept Casey Littlefield as VBCOA's representative on the Amusement Device Technical Advisory Committee.

Respectfully,



James S. Moss CBO, CBMO
Project Manager | City of Galax
President | Virginia Building and Code Officials Association
111 East Main Street
Galax, VA 24333
(276) 293-1717