



Glenn Youngkin  
Governor

Carren Merrick  
Secretary of  
Commerce and Trade

# COMMONWEALTH of VIRGINIA

Bryan W. Horn  
Director

## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

July 8, 2022

### **MEMORANDUM**

**TO:** Board of Housing and Community Development Members

**FROM:** Kyle Flanders

**SUBJECT:** July 18, 2022 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 Monday, July 18, 2022. The Housing and Community Development Committee will meet at 10:00 am followed by a regular meeting of the Board.

The Board meeting will be held **in person** at the Virginia Housing Center in Glen Allen.

The Virginia Housing Center is located at the following address:  
[4224 Cox Road](#)  
[Glen Allen, VA 23060](#)

We will provide lunch after the meeting. 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](mailto: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

### Housing and Community Development Committee

Monday, July 18, 2022

Virginia Housing Center

4224 Cox Road

Glen Allen, VA

10:00 a.m.

- |      |  |               |
|------|--|---------------|
| I.   | OPENING  |               |
|      | a. Call to Order                                 | Chair         |
|      | b. Roll Call                                     | Kyle Flanders |
| II.  | CONSENT AGENDA                                   | Chair         |
|      | o <i>Approval of Minutes</i> : May 10, 2022      |               |
| III. | COMMUNITIES OF OPPORTUNITY TAX CREDIT GUIDELINES | DHCD Staff    |
|      | o <i>Action Item</i>                             |               |
| IV.  | HB 854 PRESENTATION                              | DHCD Staff    |
| V.   | UNFINISHED BUSINESS                              | Board members |
| VI.  | NEW BUSINESS                                     | Board members |
| VII. | ADJOURNMENT                                      | Chair         |

# AGENDA

## BOARD OF HOUSING and COMMUNITY DEVELOPMENT

Monday, July 18 2022

Virginia Housing Center

4224 Cox Road

Glen Allen, VA

To begin at the conclusion of the Housing and Community Development Committee

- |       |  |                 |
|-------|--|-----------------|
| 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: May 10, 2022</i>                                     |                 |
| III.  | ANNUAL ELECTIONS   | Bryan Horn      |
|       | <i>Action Item</i>   |                 |
| IV.   | REPORT OF THE HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE                      | Committee Chair |
|       | <i>Action Item</i>   |                 |
|       | o <i>Communities of Opportunity Guidelines</i>                                 |                 |
| V.    | AGRITOURISM EVENT STRUCTURE TECHNICAL ADVISORY COMMITTEE APPOINTMENTS          | DHCD Staff      |
|       | <i>Action Item</i>   |                 |
| VI.   | APPROVAL of INITIATING UPDATE PROCESS for the PRIVATE ACTIVITY BOND GUIDELINES | DHCD Staff      |
|       | <i>Action Item</i>   |                 |
| VII.  | CODE CYCLE UPDATE  | DHCD Staff      |
| VIII. | REPORTS AND INFORMATION  |                 |
|       | a. VHDA Report   | Susan Dewey     |
|       | b. Report of the Virginia Fire Services Board                                  | Claudia Cotton  |
|       | c. Report of the Director  | Bryan Horn      |
| IX.   | UNFINISHED BUSINESS  | Board members   |
| X.    | NEW BUSINESS   | Board members   |

XI. BOARD MATTERS

Board members

XII. FUTURE BOARD MEETING DATES

Bryan Horn

- *Monday, September 19, 2022*
- *Monday, October 24, 2022*
- *Monday, December 12, 2022*

Chairman

XIII. ADJOURNMENT

**BOARD OF HOUSING AND COMMUNITY DEVELOPMENT**  
**Housing and Community Development Committee**  
**MEETING**  
**12:32 P.M., May 10, 2022**  
**Virginia Housing Center**  
**Glen Allen, VA**

Members Present

Claudia Cotton  
Susan Dewey  
Andrew Friedman  
Sylvia Hallock  
Abigail Johnson  
Keith Johnson  
Larry Murphy  
Richard Gregory  
Brett Meringoff  
Paykon Sarmadi

Members Absent

Sonny Abbasi  
Mark Jackson  
Patty Shields

Call to Order

Mr. Andrew Friedman, Chair of the Housing and Community Development Committee, called the committee meeting to order at 12:32 p.m.

Roll Call

The roll was called by Mr. Kyle Flanders of the Department of Housing and Community Development (DHCD) Policy & Legislative Office. Mr. Flanders reported that a quorum was present.

Approval of Minutes

A motion was made by Ms. Claudia Cotton and properly seconded by Ms. Abby Johnson to approve the minutes of the March 21, 2022, meeting of the Committee; the motion passed.

Consolidated Annual  
Action Plan Update

Ms. Sandra Powell, Senior Deputy of Community Development and Housing at DHCD provided information regarding the Annual Action Plan. Ms. Powell discussed the basic process and components of the plan. Ms. Powell explained that final funding amounts had not yet been released by the Department of Housing and Urban Development (HUD) so current figures were projections based on last year.

A motion was made by Ms. Sylvia Hallock and properly seconded by Ms. Johnson to recommend that the Board approve the Annual Action Plan. The motion passed.

Other Business

There was no other business to be discussed.

Adjournment

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

**BOARD OF HOUSING AND COMMUNITY DEVELOPMENT  
MEETING  
May 10, 2022  
12:58 P.M.  
Virginia Housing Center  
Glen Allen, VA**

Members Present

Claudia Cotton  
Susan Dewey  
Andrew Friedman  
Richard Gregory  
Sylvia Hallock  
Abigail Johnson  
Keith Johnson  
Brett Meringoff  
Larry Murphy  
Paykon Sarmadi  
Sean Farrell

Members Absent

Sonny Abbasi  
Mark Jackson  
Patty Shields

Call to Order

Mr. Brett Meringoff, Vice- Chair of the Board of Housing and Community Development (DHCD) called the meeting of the Board to order at 12:58 p.m.

Roll Call

The roll was called by Mr. Kyle Flanders of DHCD's Policy & Legislative Office. Mr. Flanders reported that a quorum was present.

Public Comment

Mr. Meringoff opened the floor for public comment. There was no public comment.

Consent Agenda

A motion was made by Mr. Keith Johnson and properly seconded by Mr. Sean Farrell to approve the minutes of the March 21, 2022 Board of Housing and Community Development meeting. The motion passed.

Report of the Housing and Community Development Committee

Mr. Andrew Friedman, Committee Chair, presented the committee recommendation of approval of the Annual Action. The recommendation from the committee came as a standing motion. Ms. Claudia Cotton seconded. There was no discussion. The motion passed.

Reports and Information	<p>Ms. Susan Dewey, Chief Executive Officer of Virginia Housing, noted that a temporary increase to the allocation for the Low Income Housing Tax Credit (LIHTC) program has expired. Ms. Dewey noted that the (state) Housing Opportunity Tax Credit was still pending. Ms. Dewey noted that the Virginia Housing Board of Commissioners passed a strategic plan at their last meeting.</p> <p>Ms. Claudia Cotton noted that the Virginia Fire Services Board has not met since the Board's last meeting in March and that their next meeting was in June.</p> <p>Mr. Bryan Horn, Director of DHCD noted certain pieces of approved legislation of note to the Board and the Agency. He also noted that the Rent Relief Program (RRP) portal would be closing to new and renewal application on May 15, 2022.</p>
Unfinished Business	<p>Mr. Rick Gregory noted legislation regarding tax abatement passed in the recent General Assembly session and how it may be useful to assist affordable housing projects.</p>
New Business	<p>Mr. Larry Murphy noted a desire to continue discussion on affordable housing. Mr. Friedman requested that staff provide the Board with a presentation on the HB 854 Housing Study at the next meeting.</p>
Board Matters	<p>There were no further board matters.</p>
Future Board Meeting Dates	<p>Mr. Meringoff noted that the July meeting will include elections of officers.</p>
Adjournment	<p>Upon a motion duly made and seconded, the meeting was adjourned.</p>





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## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

July 8, 2022

### **Memorandum**

**To:** Board of Housing Community Development Members

**From:** Bryan Horn, 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 Richmond, Hampton Roads, and Northern Virginia. Legislation ([Chapter 252, Acts of Assembly 2022](#)) passed in the 2022 Session of the General Assembly has expanded the program to eligible census tracts statewide. The amount of available credits remain unchanged at \$250,000 per year.

Enclosed you will find the COTC Program Guidelines Updated to include the new program areas as directed in statute. The updates also include changes to address online submission of applications. Staff recommends the Board approve the guidelines as presented.

Enclosure





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

**2022**

## Communities of Opportunity –Virginia Tax Credit

The Communities of Opportunity Program (COP) is a Virginia income tax credit program amended and reenacted by the 2022 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 eligible census tracts who participate in the Housing Choice Voucher program.

### Definitions

**Eligible 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, 2022**). 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 an eligible census tract.

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 Opportunity 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.

To determine if a specific property is located in an eligible census tract, 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, most users must use 2021 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<sup>st</sup> and will be processed by April 1<sup>st</sup>. 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<sup>st</sup> 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. The landlord must provide the name, phone number and email address of the Voucher Administrator from whom payments are received for verification. 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 a Virginia 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 submitted as designated in the application.

For questions please contact:

Dawn Scott  
(804) 401-0511  
[dawn.scott@dhcd.virginia.gov](mailto: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?221+ful+CHAP0252+hil>

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/pass-through-entities>



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## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

July 8, 2022

### **Memorandum**

**To:** Board of Housing and Community Development Members

**From:** Bryan Horn, Director

**RE:** Agritourism Event Structure Technical Advisory Committee Appointments

SB 400, as approved by the General Assembly and signed by the Governor, directs the Board of Housing and Community Development (BHCD) to appoint members to an Agritourism Event Structure Technical Advisory Committee. The Committee’s role is to assist and advise the Board in considering regulations for agritourism event buildings. Advisory Committee input and recommendations will provide a critical tool for understanding the unique circumstance related to agritourism event structures. Staff solicited nominations from the entities named in the legislation and below are the recommended appointments.

Entity	Nominee	Title
Virginia Farm Bureau	Andrew Smith	Associate Director Governmental Relations Virginia Farm Bureau Federation
Agribusiness Council	Kyle Shreve	Executive Director, VA Agribusiness Council
VA Wineries Association	Skip Causey	Owner, Potomac Vineyards and Winery
VA Craft Brewers Guild	Paige Wernig	Government Affairs Manager, VA Craft Brewers Guild
Craft Beverage Manufacturer	Janelle Zurschmeide	Owner, Dirt Farm Brewing Co
VA Association of Counties	Joe Lerch	VACo Director of Local Government Policy
VA Fire Prevention Association	Shawn Maddox	Albemarle County/VFPA Treasurer
VA Fire Services Board	Chris Barry	Loudoun County Fire and Rescue
VA Building and Code Officials Association	Jimmy Moss	Mount Rogers PDC/Building Official

