

Workforce Housing Investment Program

Examples of Program Process

These examples are meant to be illustrative and outline the concept of how the program could work for a rental development of 100 units in three different localities.

Assumptions:

- Minimum job numbers met for each locality
- 100-unit rental project
- Total Development Cost: \$11.25M

Example X:

Double-distressed locality (eligible for grant or loan subsidy)

1. A business locates 25 new jobs in X County, a double-distressed Virginia locality.
2. X County designates a \$350,000 parcel of nearby land for donation to a housing development for middle income families. X County agrees to waive fees worth \$100,000 for utility installation on the parcel. Total county contribution equals \$450,000 (4% of total project cost)
3. X County ensures that the parcel has zoning and site plan approvals for 100 units of housing on the site.
4. X County publishes an RFP for developers to construct 100 units for sale or rent at prices affordable to households earning 120% or less of the area median income. The RFP promises transfer or long-term lease of the land, fee waivers, and for X County to apply for 16% grant funding from the Workforce Housing Investment Program.
5. X County chooses a developer and applies to Virginia Housing Workforce Housing Investment Program, receiving a \$1.8 million grant towards development.
6. X County contracts with its developer who arranges \$9 million in equity investment and other financing to construct 100 units and offer them for rent at rents affordable to households with incomes at or below 120% AMI for 15 years or more (adjusted for inflation). The state and local contributions through the Workforce Housing Investment Program provide a \$2.25 million (\$1.8 million Virginia Housing grant plus \$450,000 locality contribution) subsidy to the project.

Example Y:

Single-distressed locality within the Tobacco Region (eligible for loan subsidy)

1. A new business locates 50 jobs in Y County, a single-distressed rural Virginia locality.
2. Y County has identified an ideal parcel for workforce housing development. Y County ensures that the parcel has zoning and site plan approvals for 100 units of housing on the site.

3. Y County applies and is awarded a \$742,500 grant by the Tobacco Region Revitalization Commission's Housing Pilot Program for utility installation on the site. (6.6% of total project cost)
4. Y County publishes an RFP for developers to construct 100 units for sale or rent at prices affordable to households earning 120% or less of the area median income. The RFP promises transfer or long-term lease of the land, fee waivers, and for Y County to apply for 13.4% loan subsidy funding from the Workforce Housing Investment Program.
5. Y County chooses a developer and applies to Virginia Housing Workforce Housing Investment Program, receiving a \$1.6 million loan subsidy.
6. Y County contracts with its developer who arranges \$9 million to construct 100 units and offer them for rent at rents affordable to households with incomes at or below 120% AMI for 15 years or more (adjusted for inflation). The state and local contributions through the Workforce Housing Investment Program provide a \$2.25 million subsidy to the project (\$1,507,500 million Virginia Housing grant plus \$742,500 locality contribution).

Example Z: Non-distressed locality (eligible for loan subsidy)

1. A business locates 100 new jobs in Z County, a Non distressed Virginia locality.
2. Z County designates a \$500,000 parcel of nearby land for donation to a housing development for middle income families. Z County approves a \$700,000 grant toward utility installation on the site.
3. Z County ensures that the parcel has zoning and site plan approvals for 100 units of housing on the site.
4. Z County publishes an RFP for developers to construct 100 units for sale or rent at prices affordable to households earning 120% or less of the area median income. The RFP promises transfer or long-term lease of the land, the utility grant, and for Z County to apply for 10% grant funding from the Workforce Housing Investment Program.
5. Z County chooses a developer and applies to Virginia Housing's Workforce Housing Investment Program, receiving a \$1.2 million loan subsidy.
6. Z County contracts with its developer who arranges \$9 million in equity investment and additional financing to construct 100 units and offer them for rent to households that qualify in the targeted area median income range. The state and local contributions through the Workforce Housing Investment Program provide a \$2.25 million subsidy to the project (\$1,125,00 through Virginia Housing loan subsidy and \$1,125,000 locality contribution).