

# Governor Youngkin Announces \$60M in New State Tax Credits to Help Rental Affordability

Richmond, VA — The Commonwealth of Virginia has awarded a total of \$60 million in Housing Opportunity Tax Credits (HOTC) to investors developing affordable rental housing throughout Virginia. HOTC allow for affordability and efficiency in the development and building process of rental housing, resulting in more affordable home options for Virginians.

“A priority in the forefront of this Administration is to make housing more affordable for all Virginians. Our partnership with Virginia Housing has enabled us to effectively disperse state tax credits to ensure rental properties are being built that are more affordable for renters,” said Governor Glenn Youngkin.

The HOTC program originated in 2021 through legislation passed by the Virginia General Assembly; significant revisions were made to the program in 2022 as a result of updated legislation. Virginia Housing, Virginia’s Housing Finance Agency, was chosen to award up to \$60 million in HOTC.

“The funds allocated to the state tax credits for rental housing are key in revitalizing our neighborhoods and providing more affordable housing options for our workforce,” said Secretary of Commerce and Trade Caren Merrick.

The legislation requires that a portion of the HOTC developments be initially set-aside for developments located in jurisdictions with a population of <35,000. Priority was also given to developments that are part of a strategic initiative for affordable housing such as the HUD Choice

Neighborhoods Initiative (CNI). There was also a priority for multi-phase developments that can increase efficiency by incorporating HOTC and combining all phases into a single development.

The five developments awarded 2022 HOTC are:

- The Rendezvous, Hopewell City, \$9M
- Block 17, Norfolk City, \$16.5M
- Block 9 A1, Norfolk City, \$16.5M
- Smith Ridge Commons, Roanoke County, \$15M
- Mecklenburg Manor, Mecklenburg County, \$3M

All projects are in their early stages; four are new developments and one is the rehabilitation of an existing rural property with project -based rental assistance. These awards are expected to create 572 new affordable units and preserve 47 units of deeply affordable housing.

“Virginia Housing is proud to award Housing Opportunity Tax Credits to make homes more affordable for Virginians. Tax credits are a wonderful tool that allows developers to offer the units at affordable rental rates, impacting individual families and local economies,” said CEO of Virginia Housing Susan Dewey.