

Affordable Housing Strategic Funding Opportunities

July 26, 2023



> AGENDA

- **Simpler Times**
- **The Calm and The Storm**
- **New Equilibrium Breeds Renewed Strategy**

> **Simpler Times**

- **Simple Capital Funding Strategy**
 - **Equity**
 - **9% or 4% Low-Income Housing Tax Credit (LIHTC) Equity**
 - **Debt**
 - **Single Mortgage**
- **How was this possible?**
 - **Attractive Cost of Capital**
 - **Interest Rates**
 - **LIHTC Equity Pricing**



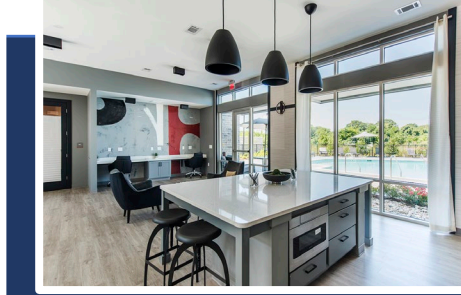
THE RETREAT AT HARBOR POINTE

246 Affordable Apartments
on the Historic Elizabeth River



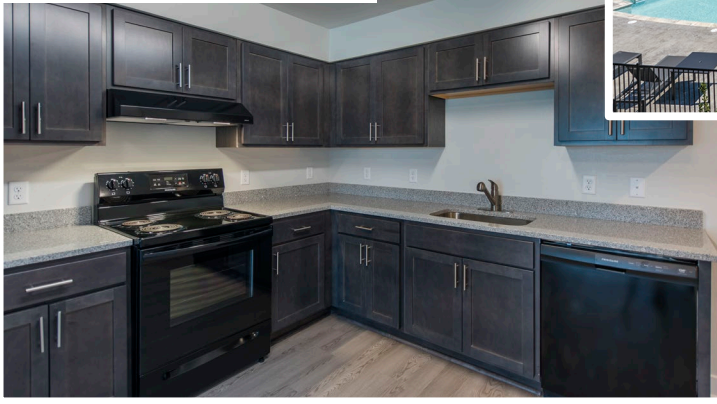
> The Calm and The Storm

- **Opportunities**
 - **Cost of Capital**
 - **Historically Low Interest Rates**
 - **Strong LIHTC Equity Pricing**
- **Issues**
 - **Cost escalation**
 - **Construction**
 - **Operations**
 - **Delays**
 - **Materials**
 - **Labor shortage**



The Foundry

200 Affordable Apartments
in Richmond's Northside



> **New Equilibrium Breeds Renewed Strategy**

- **A New Equilibrium**
 - **Funding Shortfalls**
 - **Increased Uses of Funds – Cost of Development**
 - **Decreased Sources of Funds – Debt and Equity Proceeds**
- **Renewed Strategy - Funding Opportunities**
 - **Green Building Incentives**
 - **45L Tax Credit – Increased by 2023 Inflation Reduction Act**
 - **State and Federal Support**
 - **American Rescue Plan Act (ARPA)**
 - **Virginia Department of Housing and Community Development (DHCD)**
 - **Affordable and Special Needs Housing**
 - **Federal Home Loan Bank of Atlanta (FHLB)**
 - **Affordable Housing Program**

> **New Equilibrium Breeds Renewed Strategy**

- **Renewed Strategy - Funding Opportunities (cont.)**
 - **Locality Support**
 - **Revitalization Resolution – Virginia Code §36-55.30:2.A.**
 - **Tap fees**
 - **Capital impact fees**
 - **Building permit fees**
 - **Real Estate Tax Rebatement – Virginia Code § 58.1-3219 and § 15.2-4901**



MARKET HEIGHTS

164 Affordable Apartments
in Norfolk's St. Paul's District



> Contact

Austin Pittman

Senior Development Manager

apittman@lawsoncompanies.com

757-499-6161

www.lawsoncompanies.com

