

Virginia Housing’s Amazon REACH *Virginia* Funding Commitment

Virginia Housing (VH) supported the Commonwealth’s effort to bring Amazon’s second headquarters to Northern Virginia through a five-year commitment of \$15 million annually in new REACH *Virginia* funding for affordable housing in the region. This \$75 million commitment is in addition to the substantial ongoing housing support that VH provides to the region through grants and low-interest financing programs enabled by REACH *Virginia*.

VH goals include trying to deploy these resources as soon as possible. VH appreciates the increasing demand for affordable housing in Northern Virginia. VH also desires to ensure all localities in the Northern Virginia region have access to this funding.

Fiscal Year 2020

The \$15 million Fiscal Year 2020 commitment was directed towards affordable rental housing needs and opportunities in three localities in proximity to the National Landing site as shown in the table below.

<u>Locality</u>	<u>Fiscal Year 2020 REACH <i>Virginia</i> Grant* Allocations</u>
City of Alexandria	\$ 5,000,000
Arlington County	5,000,000
Fairfax County	<u>5,000,000</u>
	\$15,000,000

*If a low interest rate loan is preferred, VH staff can convert the grant into a corresponding loan amount at the related interest rate.

Proposals by a locality for any of their unutilized allocation should utilize the application form set forth in Appendix A below and must be submitted to VH by December 31, 2020 (see Proposal Submissions below). Such proposals will be evaluated as set forth below in Proposal Evaluation Criteria.

Any unused Fiscal Year 2020 allocations after VH’s evaluation of applications received by December 31, 2020, shall be forfeited by the locality and will be reallocated by VH as set forth in Balance of VH’s Amazon REACH *Virginia* Funding Commitment below.

Fiscal Year 2021

For the \$15 million Fiscal Year 2021 commitment, VH will accept proposals addressing affordable rental housing and homeownership needs and opportunities in the City of Alexandria, Arlington County, City of Fairfax, Fairfax County, City of Falls Church, Loudoun County, City of Manassas, City of Manassas Park, and Prince William County (collectively, the “Amazon Localities”).

No development/ proposal or Amazon Locality will receive more than \$3,750,000, unless the Fiscal Year 2021 commitment of \$15 million is not fully utilized.

All proposals for Fiscal Year 2021 funding should utilize the application form set forth below in Appendix A and must be submitted to VH by December 31, 2020 (see Proposal Submissions below). Such proposals will be evaluated in the manner set forth below in Proposal Evaluation Criteria.

Any unused Fiscal Year 2021 allocations after VH's evaluation of applications received by December 31, 2020 shall be forfeited and will be reallocated by VH as set forth in Balance of VH's Amazon REACH *Virginia* Funding Commitment below.

Balance of VH's Amazon REACH *Virginia* Funding Commitment

For the balance of VH's Amazon REACH *Virginia* Funding Commitment, VH will accept proposals addressing affordable rental housing and homeownership needs and opportunities in the Amazon Localities.

Proposals will be evaluated as set forth below in Proposal Evaluation Criteria and must be submitted to VH by September 30, 2021 (see Proposal Submissions below).

No development/proposal can receive more than \$3,750,000, unless the proposed development's unit count is 300 or higher, then applicable limit is \$5,000,000. The number of developments/proposals per jurisdiction is not limited.

Additional funding rounds will be initiated until VH's Amazon REACH *Virginia* commitment is fully utilized.

Proposal Eligibility

Rental proposals contemplating the use of federal low income housing tax credits (LIHTC) are strongly encouraged to consider using 4% LIHTC in lieu of 9% LIHTC, due to the limited supply of 9% LIHTC and the competitive nature of the program. Any award of Amazon REACH funds does not guarantee an allocation of LIHTC. Awardees must still apply for and be awarded either 4% or 9% LIHTC. In addition, to be eligible, the development must utilize permanent financing from VH. Homeownership proposals must serve individuals and households at or below the applicable VH income and sales price limits for its first time homebuyer programs, and utilize VH financing.

Proposal Evaluation Criteria

All proposals submitted to VH must be made through the appropriate government official of the applicable Amazon Locality. If multiple submissions are made, the applicable Amazon Locality should indicate their ranking priority. Proposals will be evaluated based on the following criteria:

- proximity to National Landing
- affordability
- length of the time the housing will remain affordable
- readiness (when is construction estimated to commence)
- matching funds from the locality and other partners

- locality commitment of funds for affordable housing
- locality density bonuses and other land use incentives
- preservation and/or adaptive reuse including conversion from market rate to affordable rental housing
- demonstrated funding gap such that the transaction is not feasible without VH's funds or that such funds demonstrably enable deeper income targeting other factors worthy of consideration (e.g., access to public transportation (transit-oriented design), energy efficiency, etc.)
- Desired structure of Amazon REACH funding (grant, interest rate subsidy, cash flow or other soft financing etc.)
- Other attributes worthy of consideration (e.g., access to public transportation (transit-oriented design), energy efficiency, etc.)

Proposal Submissions

Proposals should be submitted to art.bowen@virginiahousing.com.

Funding Awards

For the Balance of VH's Amazon REACH Virginia Funding Commitment, as described above, a panel consisting of VH staff and external partners will determine the final awards of this funding. It is envisioned that presentations from some of the submissions may be required.

Reallocations

Notwithstanding anything to the contrary above, VH reserves the right to redistribute allocations to align with demand.

Appendix A

Application Form for Funding from
Virginia Housing's Amazon REACH *Virginia* Funding Commitment
(modify as necessary for homeownership proposal)

A. Locality contact information (name, email, and phone number)
B. Development name
C. Developer contact information (name, email, and phone number)
D. High level development information (e.g., units, total development cost, funding sources, etc.; Virginia Housing understands this information will be estimates)
E. Requested Amazon REACH <i>Virginia</i> funds and form thereof (e.g., grant, loan or any combination thereof)
<u>Evaluation Criteria</u>
1. Proximity to National Landing
2. Affordability
3. Length of time the housing will remain affordable

4. Readiness (when is construction estimated to commence)
5. Matching funds from the locality and other partners
6. Other locality concessions (e.g., tax abatement, extra density, etc.)
7. Preservation and/or adaptive reuse including conversion from market rate to affordable rental housing
8. Demonstrated funding gap such that the transaction is not feasible without Virginia Housing's funds or that such funds demonstrably enable deeper income targeting
9. Other attributes worthy of consideration (e.g., access to public transportation (transit-oriented design), energy efficiency, etc.)