

“One of the best things about working with VHDA was the tremendous support we received. They held our hand every step of the way, answered all our questions and clearly outlined our challenges so the town could make informed decisions.”

Karen Hodges, Clerk & Treasurer, Town of Floyd VA

Brief Description of REACH *Virginia* Revitalization Campaign

The desire to preserve communities and neighborhoods that generations have called home is the core of revitalization across Virginia. It’s also driving a trend in which local governments, developers and non-profits are working together to transform historic downtowns into hubs for entertainment, working and – most importantly – urban living. Such mixed-use/mixed-income revitalization efforts typically require a strong plan, local commitment and multiple funding resources.

By partnering with VHDA, a community can identify the assistance it needs to successfully combine revitalization with housing for the next generation. Our REACH (Resources Enabling Affordable Community Housing) *Virginia* programs and consulting support can help – but only if planning and development stakeholders know about this assistance, can see concrete evidence of its success, and contact VHDA to learn how they can be a part of it. That’s where VHDA’s REACH *Virginia* Revitalization Campaign comes in. It includes:

- Mixed-use/mixed-income case studies that detail the situation, the process – highlighted with before and after photos – and how VHDA helps finance mixed-use/mixed income developments across Virginia.
- *The REACH Report*, an annual newsletter that focuses on success stories, training opportunities and VHDA’s latest community outreach efforts.
- Articles in various statewide publications, such as The Virginia Municipal League’s *Virginia Town & City* magazine, that feature case-study properties and also help get the word out about VHDA’s free revitalization training and planning grants that provide funding for localities working to revitalize their communities with mixed-use/mixed-income development.
- Small space print ads – again, featuring before and after photos – promoting specific mixed-use/mixed-income case studies as new developments become realities and provide a link to PDFs of additional studies posted on VHDA’s website.

Why/When it was undertaken

Since the 1960s, Virginia’s towns and cities have seen a continued movement away from their once vital downtowns into outlying suburbs, shopping centers and commercial strips. As a result, many downtowns face high vacancy rates and a dwindling mix of tenants. Although the interest in mixed-use revitalization was there, smaller localities often lacked the resources and financing options to turn interest into reality. Recognizing this challenge, VHDA requested that the Virginia General Assembly allow us to finance mixed-use/mixed-income developments. Once we received approval and the first few mixed-use/mixed-income developments were complete, we began looking for ways to spread the word that downtown housing also revives local businesses, and that VHDA could provide localities with the tools they needed to transform their historic downtowns.

What VHDA has accomplished

The REACH *Virginia* Revitalization campaign – which also includes promoting VHDA’s revitalization training and planning grants – has resulted in a proven framework that enables conversations and partnerships that lead to the successful creation of mixed-use/mixed-income development. Other important goals achieved include:

- Completing 829 affordable housing units around the state as of May 2012.
- Financing 23 mixed-use/mixed-income developments, as of May 2012, using the most efficient, flexible and lowest cost capital available.
- Creating strong partnerships with local governments, evidenced by two or more mixed-use/mixed income developments in half a dozen Virginia municipalities.
- Increasing developer interest in taking on the challenges of mixed-used/mixed-income housing.
- Optimizing mixed-use/mixed-income financing opportunities by leveraging a variety of funding sources.
- Helping preserve the unique heritage of Virginia’s historic downtowns.

Why it is Meritorious and Meets NCSHA Award Judging Criteria

Innovative

Our conversational yet professional writing tone and use of dramatic before and after photos have resulted in an awareness campaign that boldly communicates our mixed-use/mixed-income program, reinforces our revitalization and financing expertise, and actively engages local governments, developers and other stakeholders. Including case-study pie charts makes it easy for municipalities and developers to understand how mixed-use/mixed-income financing can be leveraged using tax-exempt and taxable bonds, along with historic tax credits, Low-Income Housing Tax Credits and New Market Tax Credits.

In addition, quotes from government officials, developers and other stakeholders that are included in campaign materials whenever possible serve to enhance the program's benefits, as well as put a personal perspective on what it's like to work with VHDA. One example is Joe Fortier of Taylor Hollow Companies who has successfully renovated several historic buildings in downtown Radford. He was quoted as saying, "You need every form of financial help available or these types of projects just can't happen." Fortier was so satisfied with the outcome of his last project that he is now in the process of tackling another "vacant building without hope and making it a productive and beautiful part of Main Street."

Replicable

Any HFA can significantly grow mixed-use/mixed-income revitalization by developing a campaign of case studies, small space ads, newsletters and magazine articles that build awareness for this type of affordable housing among local governments and multifamily developers.

Responds to an important state housing need

Not every Virginian wants to buy a home, and even those who want to buy can't always qualify for mortgage financing. VHDA recognizes the need for affordable rental housing options that offer the 24-hour live/work/play environment that downtown living provides – an environment increasing sought by younger generations. To meet our strategic goal of increasing affordable rental housing opportunities that capitalize on the growing public support for more vibrant mixed-use and mixed-income communities, we work with a variety of stakeholders statewide.

To further this strategic outreach, VHDA wanted to remove potential roadblocks to revitalization. Thus, as part of our campaign, we developed training opportunities to help planning and development professionals, as well as local officials, understand the important role of mixed-use/mixed-income development as a component of sustainable communities. VHDA staff began offering free two-day courses in "Revitalizing Neighborhoods Through Housing and Economic Development" and "Planning for Sustainable Affordable Housing." Judging from comments posted on the American Institute of Certified Planners website, which approved the courses for 14 AICP certification credits, planners found these workshops extremely valuable in understanding how to use complex financing tools. In fact, one attendee wrote "An excellent overview of mixed use financing, operating pro formas, and lender underwriting issues and ratios. This is especially valuable for those who have been involved with tax credit projects... providing an in-depth perspective of mixed use projects and how they work under various financing programs."

In addition, VHDA established planning grants to help offset the costs for localities striving to revitalize their communities and promote mixed-use/mixed-income development opportunities. Typically, the \$10,000 grant is seed money that can get full-scale planning off to a good start. Thus far, 32 jurisdictions across Virginia have taken advantage of these grants. In May 2010, VHDA's planning grant initiative won an Innovative Planning Award from the Virginia Chapter of the American Planning Association.

Demonstrates measurable benefits to HFA targeted customers

- 829 affordable housing units around the state have been completed as of May 2012.
- 23 adaptive mixed-use/mixed-income developments were financed as of May 2012, using the most efficient, flexible and lowest cost capital available.
- 32 Virginia jurisdictions have taken advantage of mixed-use/mixed-income planning grants as of May 2012.

Proven track record of success in the marketplace

- Several dozen leads generated from ads in *Urban Land*, *Affordable Housing Finance* and other publications promoting mixed-use/mixed-income success stories resulted in eight potential projects currently in the pipeline.
- Quick lease-up, with most units (residential and commercial) completely rented by grand opening.

Benefits that outweigh the costs

In addition to increased MUMI development that appeals to a community's diverse rental population, the benefits of our REACH *Virginia* Revitalization Campaign outweighed the costs by:

- Educating large numbers of municipalities and developers about how they can leverage financing for revitalization projects through a variety of tax credit programs combined with permanent and construction loans.
- Helping localities see that developing housing for the next generation and revitalization centered on their downtown's sense of place is a practical solution that creates vibrant, sustainable communities.

Demonstrates effective use of resources

Teamwork and collaboration among VHDA's REACH *Virginia* business unit and the marketing department made the most of a resource we already had – our full time associates – to get the word out. Training efforts were handled by VHDA's community housing staff, and funds for financing were already available through our multifamily programs.

Effectively employs partnerships

The proof of the campaign's success in effectively building and employing partnerships can be seen in number of mixed-use/mixed-income projects developed with the same localities. This includes 13 in Richmond, seven in Roanoke, two in Petersburg, two in Radford and two in Lexington. Repeat business also comes from developers like Roanoke developer Ed Walker. After working with VHDA to transform a 1919 textile factory into Cotton Mill Lofts, he approached us about financing to revitalize a historic downtown hotel into a mixed-use/mixed-income high-rise.

Achieves strategic objectives

The primary strategic objective was to enable multifamily developers and Virginia localities to create more affordable rental housing opportunities by educating them about the advantages and opportunities created by partnering with VHDA – and each other – to develop mixed-use/mixed-income properties. The goals required to achieve this objective included:

- Creating and distributing case studies that highlight how mixed-use/mixed-income housing can be a positive factor in communities of all sizes and in all regions.
- Offering free training seminars in various regions of the state to ensure participants understand that planning for affordable housing is not only a good idea, it's required by Virginia code.
- Providing planning grant seed money to help localities plan their work and work their plan.

Equally important was our strategic objective to help offset the NIMBYism often associated with affordable, workforce housing. Because mixed-use/mixed-income developments typically involve bringing a community's historic buildings back to life, citizens enthusiastically embrace these projects. The proof is in rapid lease-up – affordable apartments, as well as commercial space – often are fully leased well before the building is ready for occupancy.

Conclusion

By aggressively campaigning to promote mixed-use/mixed-income revitalization, we've financed 829 affordable housing units as of May 2012, created stronger partnerships in 23 jurisdictions, and greatly increased developer interest in mixed-use/mixed-income housing. To support the development of more small town rental housing options and prepare for expansion and future growth into urban infill opportunities, VHDA needed to make a strong and credible case that would encourage Virginia's affordable housing advocates to become enthusiastically involved in mixed-use/mixed-income development. And we have.

Please click on attachments here: [Historic Downtown Adaptive Reuse Case Study](#), [Residential and Cultural Arts Case Study](#), [Small Towns & Cities Case Study](#), [REACH Report](#), and [Virginia Municipal League articles](#).