

City Homeless Facility Awarded Tax Credits

Rachana Dixit
Charlottesville Daily Progress
June 11, 2010

Charlottesville's first studio-style apartment building for the homeless has been awarded hundreds of thousands in low-income housing tax credits that will translate into millions of dollars for the novel project.

The single-room occupancy facility, being built by Richmond-based Virginia Supportive Housing at 401 Fourth St. N.W., is designed to provide permanent housing for the chronically homeless to take them off the streets and address the region's affordable housing needs.

Officials say the federal tax credits are a vital funding source for the project, providing close to 70 percent of its construction expenses.

The announcement about the award was made Friday afternoon, with proponents lauding it as an exciting step forward.

"Low-income tax credits are a very key piece of the puzzle," Mayor Dave Norris said. "A lot of people thought this day would never happen. This hurdle today, I think, is probably the biggest one."

The sale of the tax credits to investors is expected to generate \$4.3 million for the project over 10 years, officials predict.

Construction of the project, now named the Crossings at Fourth and Preston, is estimated to cost \$6.3 million, on top of how much Charlottesville spent to buy the site.

The city purchased the land from the Region Ten Community Services Board for close to \$1.6 million earlier this year, and agreed to lease it to VSH. The existing Region Ten building will be torn down to make way for the new housing facility.

"We are very close to having all the money together for this project," said Kathy Talley, the housing nonprofit's deputy executive director. "It is a wonderful day and a time to celebrate all that we're going to accomplish together."

On top of the tax credits, Talley also said Friday that the local Perry Foundation has agreed to give a \$250,000 matching grant for the project. The Charlottesville Area Community Foundation is also giving a \$75,000 grant.

City officials said that of the SRO's 60 units, half would be designated for the chronically homeless who would pay a minimum monthly rent of \$50. The remaining 30 units would be available as workforce housing for low-income residents for about \$510 per month, which includes utilities.

"Homelessness is primarily a housing crisis," said Ed Bain, chairman of the Thomas Jefferson Area Coalition for the Homeless' board.