

## HB854 Statewide Housing Study

### Program Fact Sheet

## Communities of Opportunity Tax Credit Program (COPTC)

Department of Housing and Community  
Development

**Note:** This fact sheet was created in October 2021. Program details can change regularly. For the most up-to-date information on this program and a program contact, please visit the link below:

[Link to program website](#)

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### 01 Program goals

The purpose of the Communities of Opportunity Tax Credit Program (COPTC) is to decentralize poverty by enhancing low-income Virginians' access to affordable housing units in higher income areas. To do this, COPTC provides Virginia income tax credits to landlords with property in less-impoverished areas within the Washington-Arlington-Alexandria, Richmond or Virginia Beach-Norfolk-Newport News Metropolitan Statistical Areas who participate in the Housing Choice Voucher program.

### 02 Funding sources

This program is funded through state general funds.

### 03 Governance

COPTC is administered by DHCD, which processes and verifies eligibility for the program. Pass-through entities (PTE), such as limited partnerships and limited liability companies, must file forms with the Virginia Department of Taxation in order to allocate the credit.

### 04 Population served

Eligible landlords may be an individual, trust, general partnership, limited partnership (LP), limited liability partnership (LLP), limited liability company (LLC), or elected small business corporation (S corporation). All eligible landlords must be subject to the Virginia Residential Landlord and Tenant Act (VRLTA) in order to be eligible for participation in the Communities of Opportunities Virginia Tax Credit Program.

### 05 How program works

Eligible landlords will submit an application to determine if they are eligible for a tax credit for that tax year. Units must have in place an executed Housing Choice Voucher Housing Assistance Payments (HAP) contract(s) with the public housing authority (PHA) or PHA contractor for the tax year. All units must be determined to be rent reasonable and pass PHA or contractor Housing Quality Standards within a year of the applicable tax year.

All eligible properties/units must be located in one of the qualified census tracts within the Washington-Arlington-Alexandria, Richmond, or Virginia Beach-Norfolk-Newport News MSAs.

A qualified census tracts are census tracts that have less than a ten percent of poverty rate based on the most current U.S. Census data.

If a parcel of real property contains four or more dwelling units, then the total number of qualified units on the parcel is limited to 25 percent of the total number of dwelling units on that parcel.

The amount of tax credit for an eligible property will be based on ten percent of annual Fair Market Rent for that specific unit and prorated when units are qualified for less than the full tax year. Pro rations will be based on full calendar months.

## 06 Program history

The COPTC program began in 2010.

## 07 Program highlights

- Between 2011 and 2018, COPTC awarded credits to an average of four landlords a year.
- Awarded applications reached a program high in 2020 with 12 total awardees, with 18 total applicants for that program year.