



Albemarle County Affordable Housing Investment Fund

Fund Description & Guidelines

Revised May 20, 2026

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I. Overview

The Albemarle Housing Investment Fund (AHIF) was established by Albemarle County to provide a funding mechanism for affordable housing-related projects. The primary purpose of the AHIF is to provide financial resources to address the affordable housing needs of individuals and families who live or work in the county by promoting, preserving, and producing quality, long-term affordable housing options; providing housing related services to low- and moderate-income households; and providing support for non-profit and for-profit organizations that actively address the affordable housing needs of low- and moderate-income households. The AHIF is managed by the Albemarle County Office of Housing in collaboration with the Department of Finance & Budget.

II. Fund Capitalization

Sources of AHIF funding include, but are not limited to:

- A portion of annual real property tax revenue collected.
- Cash contributions in lieu of providing actual affordable units when rezoning or Special Use Permits of a specified level of density are approved.
- Voluntary contributions made through proffers.
- Allocations of funding to AHIF at the discretion of the county Board of Supervisors.

III. Funding Priorities

Priority will be given to projects that:

- Provide rental housing options for households with income less than 60% of AMI;
- Provide homeownership options for households with income at or below 80% of AMI;
- Include mechanisms to ensure permanent (90-year) affordability;
- Use County funding awards to leverage significant amounts of federal, state, or private funding;
- Are shovel ready. For projects that will be applying for Low Income Housing Tax Credit (LIHTC) financing, 'shovel ready' means the applicant will be submitting a LIHTC application during the next available application period;
- Serve the housing needs of the most vulnerable; and
- Provide on-site resident services.

Additional priority will be given to projects that serve specific household types, based on vulnerability and/or gaps in existing inventory, which will be established by the Board of Supervisors. Types of households that may be given priority status may include, but not be limited to senior households, families with children under the age of five years, or persons experiencing homelessness.

IV. Distribution of Funds

AHIF funds will be provided as grants or loans to nonprofit housing developers and/or providers, or for-profit developers constructing affordable housing units in Albemarle County. Annual fund balances will be distributed as described below.

A. Emerging Housing Needs – 10% of fund balance

Ten percent (10%) of the annual fund balance will be reserved to address emerging housing needs or meet a goal of Housing Albemarle as identified by county staff and approved by the Board of Supervisors.

B. Grant Funding – 45% of fund balance

Forty-five percent (45%) of the annual AHIF balance will be reserved for nonprofit housing providers. These funds will be provided as grants, and projects will be selected through a competitive application process with submitted applications assessed against a set of evaluation criteria outlined in Section X below. Grant funding may also be provided to for-profit developers if proposed project is comprised of 100% affordable housing or the project is being funded by Low Income Housing Tax Credits.

C. Loans – 45% of fund balance

The remaining forty-five percent (45%) of the annual AHIF balance will be made available to both for-profit and nonprofit housing developers for the construction or preservation of affordable housing. Funds will be provided as zero-interest loans to nonprofit organizations, or two percent (2%) simple interest loans to for-profit developers. All loans will be due and payable 60 months from the date of the initial loan closing.

NOTE: The Albemarle County Board of Supervisors reserves the right to direct some or all of the AHIF fund balance toward addressing an emerging housing need or emergency situation.

V. Eligible Applicants

Albemarle County will accept and consider proposals from non-profit and for-profit qualified applicants that meet the following eligibility requirements:

- Nonprofit applicant is a designated 501(c)(3) nonprofit organization or equivalent, or a government entity.
- Applicant must not be in violation of any federal, state or local laws/regulations.
- Applicant has owned and/or developed at least one development that contains proffered affordable housing units, county funded or otherwise supported affordable housing units, income-restricted units, or market rate housing units that have been placed in service. If applying for Low Income Housing Tax Credits, the proposed project must meet Virginia Housing's eligibility requirements as outlined in the Virginia Housing Low-Income Housing Tax Credit Manual.

VI. Eligible Projects

To be eligible for funding, the proposed project must meet the following general eligibility criteria:

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1. Eligible projects must have proposed new construction, an addition to an existing structure, conversion of an existing non-residential structure to residential units, or the substantial rehabilitation of an existing affordable multifamily structure.
 2. Eligible projects must be located within one of Albemarle County's designated Development Areas.
 3. The applicant must own or have site control of the eligible project site.
 4. If the proposed project is not a by-right development, an applicant's rezoning application must be approved by the Board of Supervisors, prior to the consideration or award of funds from the AHIF.
 5. At least 20% of the total residential units in the project must be offered as affordable housing as defined under Housing Albemarle.
 6. Minimum affordability periods of 30-years for rental units and 40-years for owner-occupied units must be maintained.

VII. Eligible Activities

AHIF funds will be used to support affordable housing projects located within Albemarle County, unless otherwise approved by the Board of Supervisors. Eligible uses of the funds include:

- Predevelopment activities (nonprofit organizations only);
- Land acquisition and assembly;
- Land development;
- Buy-down of construction loan interest;
- Water and sewer connection fees;
- Construction of affordable rental housing units that serve households with incomes at or below 60% AMI;
- Construction of owner-occupied housing units affordable to households with incomes at or below 80% AMI;
- Preservation of existing housing occupied by households with incomes no greater than 80% AMI;
- Upgrades to energy efficient appliances;
- Improvements to the building envelope to reduce energy loss, improve comfort and lower utility costs;
- Renewable energy sourcing including solar geothermal and wind energy;
- Emerging housing needs as identified by county staff.

VIII. Ineligible Activities

AHIF funds cannot be used to cover the costs associated with the following activities:

- Property tax penalties;
- Rental of room for community meetings;
- Mailings;
- Refreshments for community or neighborhood outreach meetings;
- Transportation to community or neighborhood outreach meetings; or

- Administrative, staffing and other operating costs.

IX. Occupancy & Affordability Requirements

Occupancy of units supported through the AHIF is restricted to income qualifying households as outlined below.

A. Distribution of Affordable Units

The affordable dwelling units must be equally distributed within the development and within buildings (if multifamily housing). The mix of affordable unit styles, square footage, and number of bedrooms should be equal to or greater than the mix of market rate units. Affordable units may float within an eligible rental housing project to ensure the required percentage of each affordable unit type is maintained throughout the compliance period.

B. Affordable Rental Housing

Projects applying for Low Income Housing Tax Credit financing, or receiving assistance through other Federal programs (e.g. Housing Choice Voucher program), will follow the income and rent limits established under those programs. All other projects will adhere to the income and rents requirements outlined below.

Qualifying Tenants -- Affordable rental housing units will be reserved for households with incomes no greater than 60% Area Median Income (AMI), adjusted for household size, as established annually by the U.S. Department of Housing and Urban Development (HUD).

Maximum Affordable Rents – The maximum gross rents for affordable rental units are calculated by multiplying the AMI by the following factor for each bedroom size.

Maximum Affordable Rent Factors:

# BR	Factor
Eff.	0.009479
1	0.010833
2	0.013542
3	0.016927
4	0.018958
5	0.021802
6	0.024646
7	0.02749

Affordability Compliance Period – Residential units designated as affordable rental units must remain affordable for a period of 30 years. The applicant must record a covenant running with the land in favor of the County, which provides that for 30 years from the date of issuance of the first Certificate of Occupancy for the ADUs that:

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1. No ADU may be rented for an amount that exceeds the limits set by the Albemarle County Office of Housing;
 2. The covenant is senior to all instruments securing permanent financing; AND
 3. The covenant is binding upon all assignees, mortgagees, purchasers and other successors interest.

Consistency with Comprehensive Plan – The applicant’s project must be consistent with land use recommendations of the Comprehensive Plan or an approved rezoning application.

C. Affordable For-Sale Housing

Qualifying Tenants -- Affordable for-sale units will be reserved for households with incomes no greater than 80% AMI, adjusted for household size, as established annually by the U.S. Department of Housing and Urban Development (HUD).

Maximum affordable for-sale price -- The maximum sales price for affordable for-sale housing units is no greater than 65% of the Federal HOME Program 1-Unit Purchase Price for Existing Housing.

Affordability Compliance Period – Residential units designated as affordable units for owner-occupation must remain affordable for a period of 40 years. The applicant must record a covenant running with the land in favor of the County, which provides that for 40 years from the date of issuance of the first Certificate of Occupancy for the affordable dwelling unit that:

1. Describes the method used to determine the affordable resale price during the affordability period;
2. The covenant is senior to all instruments securing permanent financing; AND
3. The covenant is binding upon all assignees, mortgagees, purchasers and other successors interest.

Consistency with Comprehensive Plan – The applicant’s project must be consistent with land use recommendations of the Comprehensive Plan or an approved rezoning application.

D. Reporting

All recipients of AHIF fundings are required to submit quarterly reports in a format approved by the County.

X. Application Review & Evaluation Criteria

Eligible applications will be evaluated by a review committee comprising community stakeholders using the evaluation criteria described below. Recommendations for funding will be based on which project(s) meets or exceeds these criteria to the greatest degree. Applications that receive a score of less than 75% of total points may not be considered for funding. The full list of evaluation criteria is included in Appendix A.

NOTE: If project proposals do not adequately meet the described guidelines, County staff may recommend not funding the proposal(s) and reserves the right to reject any and all proposals. County staff also has the discretion to make a recommendation for AHIF funds in an amount that is less than what is requested in the application.

Evaluation Criteria	Maximum Points		
	Rental	Owner	Preservation
	210	185	130
Readiness to Proceed	40	40	20
Capacity & Experience of Development Team	50	40	30
Project Budget	60	50	50
County Priorities	60	55	30

XI. Tenant Displacement

Albemarle County is committed to making all reasonable efforts to ensure that residential redevelopment and rehabilitation activities that receive County funding support or that require Board approval will minimize resident displacement or relocation to cases where no other alternative is available. The County will work with developers and property owners to avoid resident displacement, whenever possible; and when relocation is necessary, to enable displaced residents to move directly to safe, healthy, and affordable replacement housing convenient to their place of employment and/or school.

XII. AHIF Management & Oversight

The AHIF and associated application and reporting processes will be managed by the Albemarle County Office of Housing in close collaboration with the Department of Finance and Budget.

APPENDIX A: Evaluation Criteria – add upon board approval