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### **Hampton Roads Ventures to apply for \$100m in tax credits**

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Bob Jenkins is saving the world one neighborhood at a time.

The CEO of Hampton Roads Ventures, an affiliate of Norfolk Redevelopment and Housing Authority, latched on to a government investment enticer called New Markets Tax Credits in 2003 and has since parlayed these credits into a concrete list of projects, including Norfolk's Attucks Theatre and Dr. Keith Newby's proposed medical center, known as Fort Norfolk Plaza medical office project.

The tax credits, familiar in the community development and financial worlds, are relatively unknown to the public. But these credits are spurring investment and jobs in impoverished urban and rural communities across the country.

Investors can claim up to 39 percent in tax credits for seven years, provided they abide by the criteria for investing in low income communities.

HRV, a community development investment firm, is a conduit for tax credits. The U.S. Treasury Department designated HRV as a qualified organization to receive the credits. HRV, in turn, sells the credits or tailors deals using them.

HRV has used up \$100 million in tax credits that it received from the federal government since 2003 and is applying for another \$100 million in the 2009 round.

"Consistent with our business model, we apply every other year," Jenkins said.

Doing so makes the application stronger because he can show concrete examples of how previous tax credits were used.

Jenkins stepped down as deputy director of the housing authority in December 2007. HRV operates independently of the housing authority with its own staff, offices and budget, which is generated by administrative fees.

"We receive zero money from NRHA," Jenkins said. The majority of HRV's investments are low-income neighborhoods in Virginia.

Jenkins cited the \$600,000 HRV injected into the NCP Federal Credit Union to boost its lending. The credit union, close to collapse a few years ago, serves the Berkley community in Norfolk and the surrounding neighborhoods in adjacent cities.

Jenkins said HRV has a pipeline of projects fueled by tax credits in Virginia and Mississippi with Alabama a possibility.

"We are looking to continue our part with historically black colleges and universities," he said.

"We have a project at Jackson State [Mississippi], a possible project at St. Paul's College in

western Virginia, Virginia State in Petersburg and we've been approached by a historically black college in Alabama," he said.

Last year HRV leveraged \$7 million in tax credits to develop a \$16 million mixed use project at Jackson State University, a historically black college.

The building will have retail on the first floor and workforce and rental housing on the upper floors, Jenkins said.

"Jackson State, like other historically black colleges, is in a neighborhood that has seen better times," he said.

Jenkins said that Jackson State University President Ronald Mason Jr. wants to make the mixed use project the centerpiece of a plan to transform the surrounding neighborhoods.

Jenkins said his lawyers are closing on two deals that began in 2008. The first is the 200,000-square-foot Mid-Town Office Tower on Tidewater Drive in Norfolk.

The Southeastern Tidewater Opportunity Project, or STOP, will make the building its headquarters and consolidate all its offices in the region at this location, occupying 50 percent of the building.

HRV is leveraging \$16 million in tax credits while CitiFirst Bank of Washington, D.C., is putting in another \$12 million in credits, Jenkins said.

The other deal is the conversion of a high school in Staunton with \$12 million in tax credits. Senior citizens will occupy the upper floors while a number of nonprofits will lease the ground floors.

"The kitchen will be leased to the local Meals and Wheels," Jenkins said.

The auditorium will be used by a nonprofit that trains people in the performing arts. The cafeteria will be a meal venue for seniors in the building and in the surrounding community.

The former administrative offices will be used for geriatric counseling, Jenkins said.

Octogon Partners, based in Charlottesville, which specializes in historic renovations, is making over the former high school.

HRV's most prominent deal is Dr. Keith Newby's \$67.8 million medical complex in Norfolk.

The nine-story, 195,890-square-foot building will be the first new medical office building constructed in downtown Norfolk in 40 years.

HRV leveraged \$11.6 million investment in two loans to finance the complex, which will include several medical practices, a parking garage and retail space creating about 1,205 new jobs.