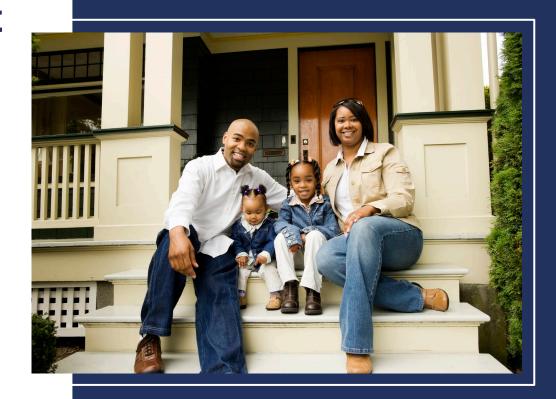


Virginia Department of Housing and Community Development

Affordable Housing Programs

Bryan Horn | Director January 17, 2024







Affordable Housing

The Federal Government and Virginia agencies/authorities (DHCD and Virginia Housing) play a critical role in:

- The development or production of Affordable Housing Units
- Preserving existing units of affordable housing
- Making housing affordable for Virginians



What is "Affordable Housing?"

Rental

 Generally, rents are considered affordable if the combination of rent + utilities = no more than 30% of a household's gross income

Homeownership

 Home is considered affordable if the combination of the mortgage payment (principal and interest) + taxes + insurance + condo fees (PITIC) = no more than 30-35% of a household's gross income.



Levels of Affordability

- Affordability levels are generally indexed to the area median income (AMI), determined annually by HUD and household size:
 - Extremely low income = up to 30% of AMI
 - Very low income = up to 50% AMI
 - Low income = up to 60% AMI
 - Moderate income = up to 80% AMI
 - Middle income = 80 to 120% AMI
 - Market rate housing = above 120% AMI
- AMI levels are recalculated annually.
- Different programs are restricted by the AMI levels funded. (i.e.
 VHTF = up to 80% AMI; NHTF = up to 30% AMI)







DHCD Programs



- Virginia Housing Trust Fund Competitive Loan Pool
 - up to 80% AMI; both homeownership and rentals
- Federal Housing Trust Fund
 - up to 30% AMI, rentals only
- Federal HOME Investment Partnerships
 - up to 80% AMI homeownership; up to 60% AMI rentals
- Other sources if allocated
 - eg one-time federal HOME-ARP funds; predevelopment grants

Private Activity Bonds

 Review of Governor's Pool and Local Housing Authority Pool applications



Virginia Housing Trust Fund (VHTF)

- VHTF has proven to be an effective tool for assisting local and regional efforts in creating housing affordability and homeless reduction solutions.
- Established in 2013, VHTF is administered by DHCD in partnership with Virginia Housing.
- Since inception, VHTF's investment has supported the creation and/or preservation of approximately 11,796 units.



VHTF Investments

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- Historic investments in the affordable housing and special needs population have been made over the past three years.
- The 2022-2024 biennium budget allocated \$75 million each year to the Virginia Housing Trust Fund (VHTF).
- By statute, at least 80% of the funds in the VHTF are allocated to the Affordable and Special Needs Housing (ASNH) program through a competitive loan pool.
 - ASNH provides loans that reduce the costs of affordable rental housing and homeownership.
 - Loan funding is obligated before the project has begun.
 - The funding is performance based draw downs on the loan funding cannot be made until final closing and lease up of the project.
- Up to 20% of the funds in the VHTF are allocated to the Homeless and Special Needs Housing (HSNH) program.
 - HSNH makes grants to homelessness services providers to reduce homelessness.

**** VHTF Updates**



- VHTF funds have created or preserved 4,931 affordable housing units since January 2022.
- The projects funded in the 2022-2023 program year (FY 23) leveraged ~\$2.3 billion in other resources. (\$38:\$1 ratio)
- Recent VHTF stats:
 - All funds in the VHTF have been obligated through FY2023.
 - For FY2024, DHCD has completed the Fall competitive award cycles for both ASNH and HSNH and those awards are under review.
 - There will be a second competitive loan process for the ASNH in the Spring of 2024.

***** VHTF Investments and Outcomes**



Funding Year	Affordable Units Created or Preserved	VHTF Funding Available	
FY14	294	\$5.4 million	
FY16	546	\$5.7 million	
FY17	682	\$3.3 million	
FY18	290	\$3.3 million	
FY19	1236	\$7.58 million	
FY20	993	\$11.2 million	
FY21	2,835	\$24.6 million	
FY22	1,511	\$39 million	
FY23	3,409	\$60 million	

Private Activity Bonds (PAB)

 Affordable housing builders need Low Income Housing Tax Credits (LIHTC) to make their deals work (can be multifamily rental or single family).

 To receive the tax credits, they must receive allocations of PABs, which are tax exempt.

 PABs supply is determined by population and overseen by IRS and are in limited supply.



Private Activity Bonds (PAB)

For calendar year 2024, Virginia has \$1 billion in PABs.

PAB	Virginia Agency	% Ceiling	2024 Allocation
Local Housing Authorities	DHCD	14%	\$152,524,715.00
VHDA (Virginia Housing)	Virginia Housing	43%	\$468,468,767.50
Industrial Development	SBSD	25%	\$272,365,562.50
Governor's Pool	DHCD/GOV	18%	\$196,103,205.00
	\$1,089,462,250.00		



THANK YOU

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