



# Meet Virginia Housing

Presentation for the House Appropriations Commerce,  
Agriculture and Natural Resources Subcommittee

**Tammy Neale, Chief Executive Officer**

**Fred Bryant, Chief Counsel**

**Demas Boudreaux, Government Relations Manager**

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# Agenda

- **Mission**
- **Governance**
- **How We Raise Capital**
- **What Makes Virginia Housing Unique**
- **REACH *Virginia***
- **Programs: What We Do**
- **Areas of Focus**
- **Addendum 1: Distribution of Lending Activity**

# Our Mission

## Helping Virginians Attain Quality, Affordable Housing

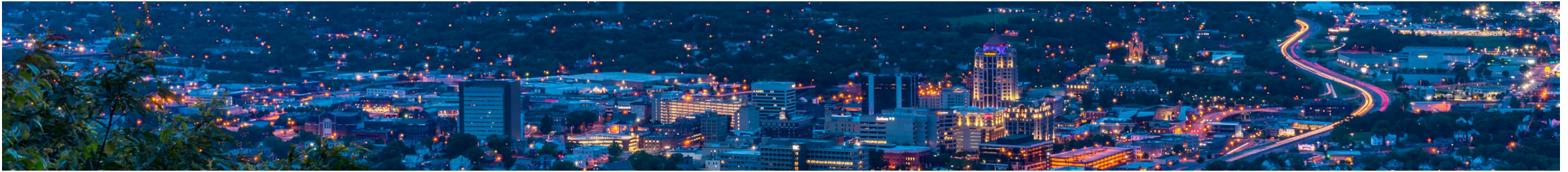
- Created by the General Assembly in 1972 as an independent political subdivision of the Commonwealth, pursuant to the Virginia Housing Development Authority Act
- Function as a mortgage lender and servicer utilizing Public Private Partnerships
- Self supporting – no state appropriation for operations; not included in the Appropriation Act; and fully self-supporting from revenues generated by programs.



# Governance

- Tammy Neale, Chief Executive Officer since April 1, 2024
- Eleven-member Board of Commissioners appointed by the Governor (includes State Treasurer, Director of DHCD, and a representative from the Board of HCD)
- Under the Secretary of Commerce and Trade umbrella
- Annual Summary of Programs and Operations to the Governor
- Annual audited financials to the Auditor of Public Accounts





# How We Raise Capital



Issuance of Tax-Exempt and Taxable Bonds for Rental Housing and Homeownership loans – \$6.7B outstanding\*

- Per state law, Virginia Housing receives 43% (\$492M for CY25) of the Commonwealth’s annual private activity bond cap and any year-end residue from the other pools (Governor’s, LHA and Industrial Development pools)



Securitization of Homeownership Loans through Ginnie Mae, Fannie Mae and Freddie Mac – \$6.7B outstanding\*



Issuer Credit Ratings – S&PAA+ / Moody’s Aa1



Virginia Housing Bonds are not tax-supported debt of the Commonwealth and are not included in the Commonwealth’s debt capacity model.

The Commonwealth has no obligation for Virginia Housing bonds, not even a “moral obligation.”

\*As of 6/30/24



# What Makes Us Unique

## Public Private Partnership

Virginia Housing operates as a mortgage lender that provides loans primarily for first-time homebuyers by partnering with 70 originating lending institutions.

We also partner with private for-profit and nonprofit developers of affordable rental (multi-family) housing.

## We Serve All of Virginia

Virginia Housing's mobile mortgage van provides home loans to residents of Southwest Virginia, Southside Virginia, the Eastern Shore and smaller towns and communities not served by traditional lenders.

We also have an office in Wytheville to serve the southwestern part of our state.

## REACH *Virginia*

While Virginia Housing was created to operate much like a mortgage lender, we do not have shareholders. Instead, we have a public mission that serves our stakeholders – the citizens of Virginia.

Our annual financial dividend is the REACH *Virginia* program (Resources Enabling Affordable Community Housing).

# REACH *Virginia*

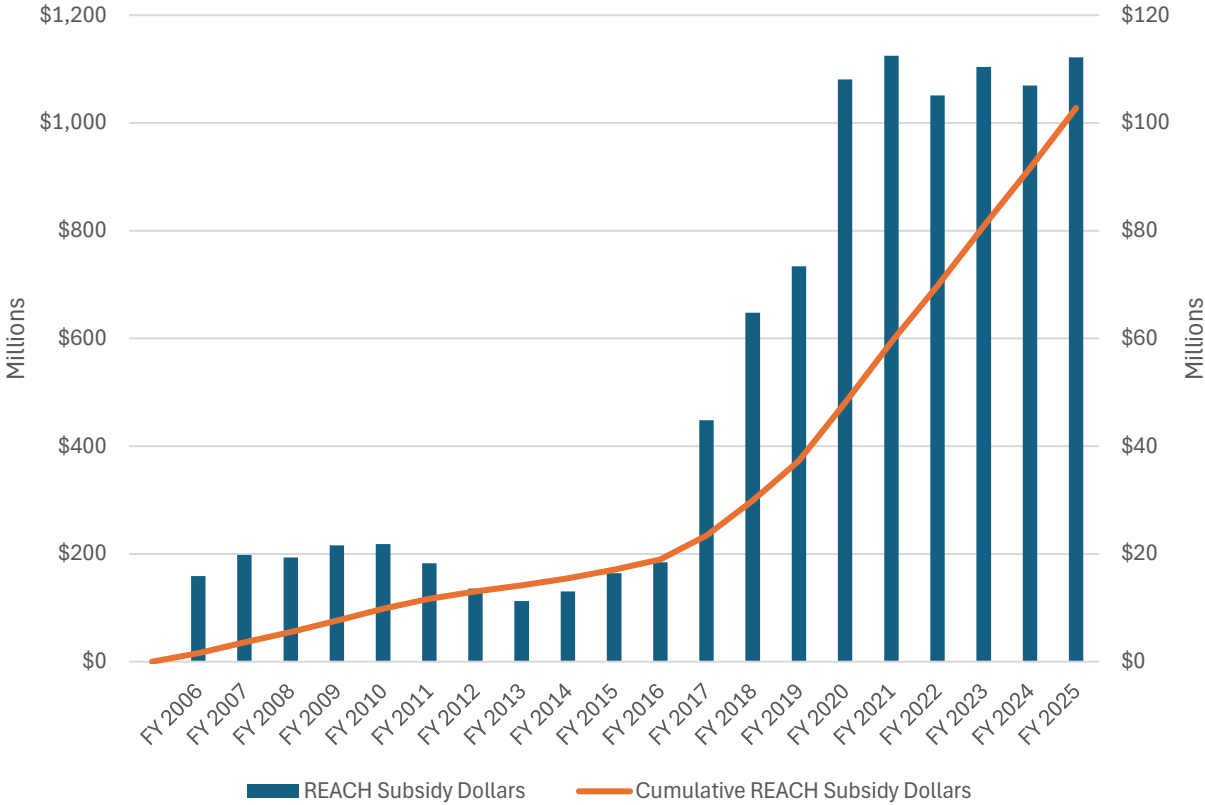
Annual set-aside of net assets for:

- Grants
- Reduced interest rates and other support for mortgage loans
- Other housing subsidies under Virginia Housing’s programs

Available FY25 REACH resources are **\$144.4M**.

From 2005 through June 30, 2024, Virginia Housing has allocated or committed approximately **\$1B in REACH funds**, which have financed or committed to finance **95,650 units**.

## Annual REACH *Virginia* Contributions





# Programs: What We Do



Homeownership



Rental Housing Lending



Community Outreach



Rental Housing Tax Credit Programs



Federal Assistance Programs



## For 50+ years, Virginia Housing has\*:

- ✓ Provided **250,420** home loans
- ✓ Provided **\$126M** in Down Payment Assistance
- ✓ Offered **349,321** people our free first-time homebuyer course\*\*

\*Through June 30, 2024

\*\*Since the first class in 1993

# Homeownership

- Provides primarily first-time homebuyers with competitive first and second mortgage loan financing.
- In FY24 assisted **4,057 Virginians** with financing.
- FHA, VA, RD and conventional loan products.
- Provides servicing of our loan portfolio – **80,000 loans totaling \$9.4B**.
- Offers down-payment and closing costs assistance grants.
- Committed to sustainable homeownership and financial literacy – all borrowers are required to participate in free homebuyer education classes.

# Rental Housing: Lending

## What We Provide

Provides for-profit and nonprofit developers and public housing authorities with affordable financing for the acquisition, development or rehabilitation of affordable rental housing.

## Who We Serve

Serve low- and moderate-income tenants and can also finance our Mixed-Use/Mixed-Income (MUMI) Rental Loan Program serving middle-income tenants

## Our Loans

Loans are non-recourse (i.e., developer is not personally liable on the loan) and no mortgage insurance or guarantee is required.

## Our Portfolio

In FY24 financed 3,863 units totaling \$642M in financing.

Rental loan portfolio = \$5.5B, approximately 785 developments and 64,000 units.

## Turnkey Servicing

Provides in-house servicing and strong rental asset management to support the long-term quality of financed properties.

## Total Units

To date\* Virginia Housing has financed **149,278 units**.

\*As of June 30, 2024

# Rental Housing: Tax Credits

Virginia Housing allocates the federal Low-Income Housing Tax Credit (LIHTC) and state Housing Opportunity Tax Credit (HOTC) programs.

## LIHTC

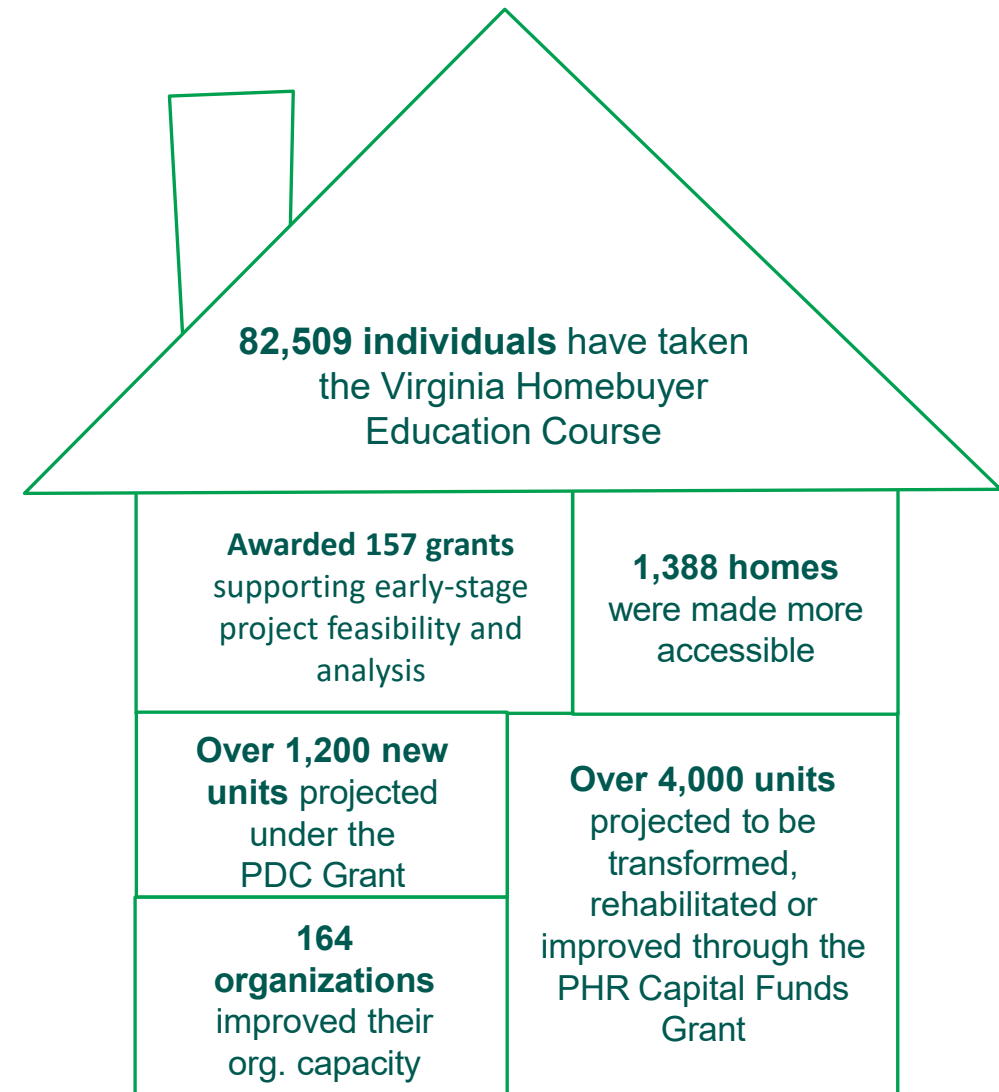
- In CY24, Virginia Housing received \$25.2M in annual federal 9% LIHTC (\$2.90 per capita). Virginia Housing also administers federal 4% LIHTC in conjunction with its tax-exempt bond financing program for rental housing.
- In CY24, Virginia Housing allocated federal 9% and 4% LIHTC to 3,395 units in 48 developments (145,875 units since 1986).

## HOTC

- HOTC is currently \$60M per award year. (\$15M in 2021, \$60M 2022-2025)
- In CY24, we allocated all '24 HOTC and pre-allocated all '25 HOTC to support 697 units, approximately 50% in jurisdictions with less than 35,000 people (\$255M in HOTC supporting 2,000 units (31% in small jurisdictions) since 2021 program inception).
- HB1701/SB828 and HB2048 propose to extend and amend the HOTC program, which expires 12.31.25.

# Community Outreach

- Community Outreach works with local governments, nonprofits, housing agencies and others to ensure Virginians have access to quality, affordable housing.
- Much of the support to the Housing Delivery Network is provided through grants funded by our REACH *Virginia* program.
- This multifaceted resource is used to support vital housing initiatives through Community Outreach programs.



**FY20 – FY24 data**

\*PDC: Planning District Commission

\*PHR: Public Housing Revitalization

# Federal Assistance Programs

## Housing Choice Voucher Program:

- Virginia Housing administers HUD's HCV program in jurisdictions that do not have a locally administered program (aka "balance of state")
- Partners with 28 local housing agents across the Commonwealth
- Serving **10,526** households

## Virginia Mortgage Relief Program:

- Administering **\$258M** from American Rescue Plan Act
- As of June 2024, assisted over **12,300** households and distributed **\$234.7M**



# Areas of Focus

## Innovation Increasing Supply

- 3D Printing
- Modular Construction
- Manufactured Housing

## Targeted Housing Needs

- Rural Housing
- Public Housing Revitalization
- Permanent Supportive Housing

## Housing & Economic Development

- EO42 issued to formalize working relationship among DHCD, VEDP and Virginia Housing
- Workforce Housing Investment Program announced by Governor and is being rolled out in CY25
- Recognizes the nexus between housing and economic competitiveness and development

## Additional Priorities

- Identifying additional sources of gap funding to make Rental developments feasible
- Preservation of existing affordable Rental units
- Addressing rapid increases in operating costs in Rental developments (e.g., hazard insurance premiums)
- Increasing access and opportunity for homeownership



**Tammy Neale, Chief Executive Officer**

[Tammy.Neale@virginiahousing.com](mailto:Tammy.Neale@virginiahousing.com)

(804) 343-5966

**Fred Bryant, Chief Counsel**

[Fred.Bryant@virginiahousing.com](mailto:Fred.Bryant@virginiahousing.com)

(804) 343-5837

**Demas Boudreaux, Government Relations Manager**

[Demas.Boudreaux@virginiahousing.com](mailto:Demas.Boudreaux@virginiahousing.com)

(804) 305-4074

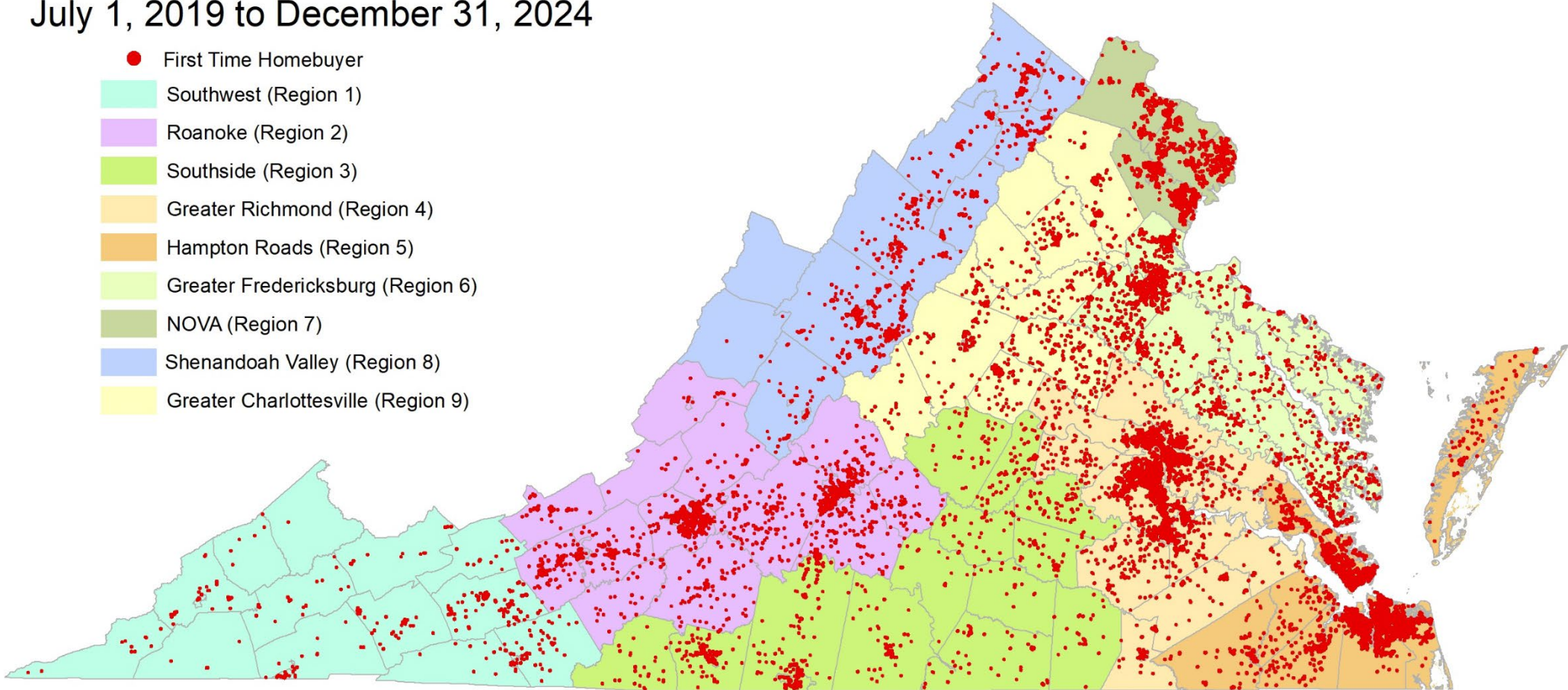
# Addendum

## Distribution of Lending Activity



# Geographic Distribution of Homebuyer Program

Location of 1st Time Homebuyer Loans  
July 1, 2019 to December 31, 2024



# Geographic Distribution of Rental Properties

Location of Multifamily Properties  
July 1, 2019 to December 31, 2024

- Rental Developments  
(Includes VH Financed, LIHTC and properties with a combination of the two products)

