

Virginia Housing Initiatives

DBHDS Settlement Agreement
Stakeholder Group

May 21, 2014

Bruce DeSimone, VHDA
Eric Leabough, DBHDS

About VHDA

VHDA is a self-supporting, not-for-profit organization created by the Commonwealth of Virginia in 1972, to help Virginians attain quality, affordable housing. VHDA provides mortgages, primarily for first-time homebuyers and developers of quality rental housing. We use no state taxpayer dollars, but raise money in the capital markets to fund our loans. We also teach free homeownership classes, and help people with disabilities and the elderly make their homes more livable. VHDA works with lenders, developers, local governments, community service organizations and others to help put quality housing within the reach of every Virginian.

What is Affordable for an Individual with a Disability?

% of Area Median Income	Annual AMI	Monthly AMI	30% of Income
100%	\$72,900	\$6,075	\$1,822
50%	\$25,550	\$2,129	\$638
30%	\$15,300	\$1,275	\$382
Poverty	\$11,670	\$972	\$291
SSI	\$8,652	\$721	\$216

Rounded down to whole dollars

Fair Market Rents:

One Bedroom = \$830/mo

Two Bedroom = \$984/mo

How Do You Create Affordable Housing?



SUPPLY

Reduces Development Costs which may result in lower rents



DEMAND

Reduces Rent Amount Paid by Tenant

Supply – Side Tools Menu

- Low Income Housing Tax Credits (LIHTC)
- Community Development Block Grants (CDBG)
- Federal & state Historic Tax Credits (HTC)
- HOME
- VHDA REACH funds
- Housing Trust Fund
- Federal Home Loan Bank's Affordable Housing Program (AHP)
- Developer Loans
- Private Foundations
- Others

An Affordable Project for Persons With Disabilities and Lower Incomes

Project Profile:

- TDC **\$6,395,061**
- 28 unit development (21 1-Bedroom, 1-Bath and 7 2-Bedroom, 1.5 Bath Units)
- Rent Range: \$385 to \$565/month
- 14 Units Meet Section 504 Accessibility

Financing Sources	
VHDA LIHTCEquity	\$4,075,313
HTC Equity	\$745,995
DHCD HOME	\$700,000
VHDA REACH	\$220,000
LOCALITY HOME	\$175,000
FHLB AHP	\$195,477
Deferred Developer Fee	\$237,276
Local Foundations	\$46,000
TOTAL SOURCES	\$6,395,061

A Word About LIHTC

- ❑ The **Low Income Housing Tax Credit Program** is THE MAJOR HOUSING PRODUCTION VEHICLE TODAY.
- ❑ States annually receive LIHTC allocations from the U.S. Department of the Treasury based on population.
- ❑ Demand for credits far exceed supply.
For Example:
For 2014, VHDA received 47 applications requesting \$28,053,352 in Credits; can award only \$14,240,485.
- ❑ VHDA's LIHTC program has incentives to produce housing units for persons with disabilities.

Other DOJ Housing Incentives

Supply – Side Tools

VHDA:

- Increased REACH allocation
- Rental Housing SPARC Program
- Non-competitive LIHTC for housing for persons with disabilities, and lower units threshold for 811

DHCD:

- Affordable and Special Needs Housing Program (HOME)
- Housing Trust Fund
- Small Cities CDBG

Demand – Side Tools Menu

- Housing Choice Voucher Program
- HUD Section 811
- Rental Choice VA
- HOME
- Private Foundations
- Others

Rental Assistance Example

Contract Rent: \$1,000

Minus

Tenant Contribution: \$164

Equals

Housing Assistance Payment:
\$846

Adjusted Gross Monthly Income
 $\$700 \times 30\% = \210

Utility allowance- \$46

Tenant Contribution

$\$210 - \$46 = \$164$

HCVP Preferences

- Demand for housing assistance exceeds limited resources available.
 - Long waiting periods or wait lists are closed all together.
 - Each PHA has the discretion to establish local preferences to reflect the housing needs and priorities of its community.
- Examples of Preferences:
 - homeless
 - homeless w/ children
 - elderly (62 yrs. or older)
 - disabled
 - living in substandard housing
 - rent burdened
 - involuntarily displaced
 - family

Rental Choice VA - Overview

- 36 month Rental Assistance Pilot Project
 - Part of Response to DOJ Settlement Agreement - \$800,000 in one-time funding
 - DBHDS is working to continue the program beyond the initial 3-year period
- Helps individuals with intellectual and developmental disabilities in institutional settings, congregate residential settings and home with family; live in more independent housing in the community
- Administered locally by Fairfax-Falls Church & Virginia Beach CSBs

Rental Choice VA - Overview

- Rent-up Assistance: Offsets cost of up-front housing expenses such as:
 - Application fees
 - Holding fees
 - Security deposits
 - Moving expenses
 - Utility connection fees and deposits
- Rental Assistance
 - Pays the difference between 30% of monthly adjusted gross household income (tenant's share) and rent plus utilities (gross rent) allowed by program
 - Participants cannot pay more than 40% of adjusted monthly household income

HUD Section 811 - Overview

- Commonwealth of Virginia submitted a competitive application to HUD on May 9, 2014.
- If awarded, program will provide rental assistance that is tied directly to rental units.
 - Number of units to be funded: 130
 - Total dollars requested: \$7,081,630 (Five Year Allocation includes an 8% administrative fee totaling \$525,565)

HUD Section 811 - Overview

- Target Populations
 - **Priority 1:** Individuals with developmental disabilities who are included in the target population under the Commonwealth's Settlement Agreement with the U.S. Department of Justice [*United States V. Commonwealth of Virginia*, United States District Court for Eastern District of Virginia (Civil Action No. 3:12 CV 059)].
 - **Priority 2:** Individuals eligible for Medicaid-covered community mental health rehabilitation services with a serious mental illness, including those with a co-occurring substance use disorder.
- Target Areas: Northern Virginia and Hampton Roads
 - Both regions have:
 - Concentrations of individuals with intellectual/developmental disabilities living in these regions
 - Supply of units that meet needs of both populations and align cross-cutting federal requirements

Thank You

Questions?

Bruce DeSimone
VHDA
804-343-5656

Eric Leabough
DBHDS
804-786-1393