



2013 Annual Awards Entry Form
(Complete one for each entry.)

Entry Name Virginia Housing Trust Fund Campaign

HFA Virginia Housing Development Authority

Submission Contact Brian Matt

Phone (804) 343-5520 Email Brian.Matt@vhda.com

Program Contact Herb Hill

Phone (804) 343-5520 Email Herb.Hill@vhda.com

Entry form with description, check(s), and visual aids (optional) must be received by NCSHA by **Monday, July 1, 2013.**

Use this header on the upper right corner of each page.

HFA Virginia Housing Development Authority

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Communications	Homeownership	Legislative Advocacy	Management Innovation
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Federal Advocacy <input checked="" type="checkbox"/> State Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs	<input type="checkbox"/> Special Achievement	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

Virginia Housing Development Authority Virginia Housing Trust Fund Campaign

“Housing helps define communities and is a major component in determining the quality of life for individuals, families, and the Commonwealth’s general prosperity.”

Bob McDonnell, Governor of Virginia

Brief Description

The creation of a Housing Trust Fund was a key recommendation of Virginia’s Statewide Housing Policy Initiative. The Housing Trust Fund Campaign was established by key affordable housing organizations, with the direct support of the Virginia Housing Development Authority and the Department of Housing and Community Development to increase access by Virginians to affordable housing options.

The Campaign engaged supporters in numerous ways. For example, stakeholders were asked to help design the housing trust fund during the initial stages. The Campaign sponsored a webinar, “Help Build a Housing Trust Fund,” to attract advocates, providers, policymakers, consumers and industry representatives from across the state to learn about the basics of a housing trust fund and to express their views through online surveys and other tools. As a result, the campaign received advice on local housing needs, priorities, types of assistance the trust fund should provide, administrative features, and sources of funding.

The Campaign also released a report titled, “The Economic Impact of a Housing Trust Fund on the Virginia Economy,” prepared by Chmura Economics & Analytics. The report identified two phases of potential impact: (1) the one-time impact resulting from construction activities created by the financial support of the fund and (2) the ongoing operations tied to housing infrastructure stock due to the trust fund’s implementation. The report was beneficial to the campaign because of its clarity in the assumptions drawn and how the benefits were calculated.

Why/When it was undertaken

Housing is a priority for Governor McDonnell, and accordingly he issued Executive Order Number 10 outlining the need for a clear and consistent housing policy. Governor McDonnell’s initiative was the first Executive Branch effort to craft a comprehensive, state-level housing policy in Virginia and one of its key recommendations was the creation of a Housing Trust Fund for Virginia. The Campaign’s website can be viewed at www.virginiahousingpolicy.com.

The recent recession and ensuing structural shifts in the economy changed the dimensions and character of Virginia’s housing needs, and they continue to challenge many citizens and communities. Increasingly, issues related to affordability – particularly for lower-income households and, especially, renters – have become the most pressing. These include a growing mismatch between incomes and housing costs, which is exacerbated by higher levels of unemployment and increased job insecurity. Those spending more than 30 percent of income for gross rent (rent plus utility and fuel costs) are considered moderately cost-burdened; households spending more than 50 percent are considered severely burdened. At the national level, the percentage of moderately and severely cost-burdened renters doubled between 1960 and 2009. By the latter year, 49 percent of renter households were moderately cost-burdened and 26 percent were severely cost burdened.

In spite of its relatively strong economy and better-than-average employment picture, Virginia shares this problem. In reviewing data, *Housing Virginia*, a statewide partnership of public and private organizations committed to high quality affordable housing, noted just over 50 percent of all renters – slightly higher than the national level – are cost burdened. Nearly three-quarters of extremely low-income households (households at or below 30 percent of the applicable area median income) are cost burdened and over three-fifths of this population faces extreme cost burdens, paying over 50 percent of household income for shelter. Additionally, the continuing decline in home ownership has increased pressure on the rental market. Although rents flattened early in the recession, the recent trend and most forecasts are for rent levels to increase significantly and remain high in the near future.

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What it has accomplished

The State budget allocated \$7,000,000 for the newly created Virginia Housing Trust Fund. At least 80 percent of the Fund is being used for short, medium and long-term loans to reduce the cost of homeownership and rental housing. Up to 20 percent of the Fund is being used to provide grants for targeted efforts to reduce homelessness. Of the total economic impact, \$572.9 million is direct spending by the housing trust fund investment, with direct jobs reaching 2,877 over the ten years. Additionally, \$1 million was added to the \$7 million allocated to the Housing Trust Fund from the National Mortgage Settlement last year for use in the first round of projects.

Why it is Meritorious and Meets NCSHA Award Judging Criteria

Advances the overall mission of the agency

VHDA's mission is to help Virginians attain quality, affordable housing. The results of a Campaign survey demonstrated that during the first 18 months of the Trust Fund's implementation, Virginia's affordable housing industry would be able to provide housing assistance for more than 6,000 households and could use close to \$90 million in funding. The types of assistance identified included:

- Temporary rental assistance and services for homeless families and individuals,
- Programs to keep families facing foreclosure in their homes and return foreclosed homes back into use,
- Assistance and housing to persons with special needs,
- Housing and accessibility improvements for seniors,
- Production of new affordable rental housing, including supportive housing, and
- Preservation of affordable rental housing that is at risk.

Innovative

VHDA has been innovative in working with affordable housing advocates, industry groups and the Administration to maintain close communication on housing needs and the benefits of the Housing Trust Fund. Reliance on traditional methods of coalition building and legislative lobbying may not have resulted in success. The Campaign enabled VHDA and DHCD to build strong support for the Housing Trust Fund and be successful in its passage.

Replicable

VHDA has demonstrated that HFAs can exercise leadership in supporting and facilitating these kinds of campaigns on issues of importance related to affordable housing. Any other HFA can replicate this model.

Demonstrates coalition building

The statewide Housing Trust Fund Campaign was a coalition of five major statewide housing organizations and was strongly supported by the Virginia Housing Development Authority and the Department of Housing and Community Development. DHCD collaborated with VHDA and the Virginia Housing Coalition in soliciting public input on the structure and uses of the Trust Fund. Seven input sessions in six localities drew more than 250 interested citizens and housing advocates with a variety of perspectives from various backgrounds.

Forges effective relationships with state and/or federal legislators

The initiative forged very effective relationships with the bill patrons and other key General Assembly leadership to favorably consider and review the bill. These patrons have attended Trust Fund meetings to explain the intent of the bill and why it is important to them and their constituents. In addition, VHDA leadership staff members have been in touch with their state legislative offices on a regular basis regarding the Trust Fund.

Achieves strategic objectives

One of VHDA's key strategic objectives is to help low- and moderate-income households achieve and sustain homeownership. As a result of the Great Recession, a growing number of the households do not have access to affordable housing. The Housing Trust Fund is assisting in bridging this critical gap.

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Anticipates, identifies, and prioritizes legislative issues

We have anticipated legislative issues in the bill that the Campaign itself has brought forward, and we have also been able to effectively respond to the priorities of the legislature, which were identified. The Campaign is the means through which a balanced group of stakeholders reached consensus on the priorities and their possible solutions.

Reach target audiences

The Trust Fund reaches targeted audiences by:

- Providing affordable rental housing – new construction, rehabilitation, acquisition
- Providing down payment and closing cost assistance for homebuyers
- Offering short, medium and long term loans to reduce the cost of homeownership and rental housing
- Providing housing stabilization services and temporary rental assistance
- Offering mortgage foreclosure counseling – targets localities with the highest foreclosure rates
- Providing pre-development assistance for permanent supportive housing and long-term housing options for the homeless

Employ analytical skills to anticipate and identify the potential ramifications of issues

As mentioned earlier, the Campaign released a report entitled, “The Economic Impact of a Housing Trust Fund on the Virginia Economy,” which supported findings from similar studies and identified two phases of potential impact: (1) the one-time impact resulting from construction activities created by the support of the fund and (2) the ongoing operations tied to housing (infrastructure) stock due to the trust fund’s implementation. The report was instrumental in the success of the Campaign.

Provide benefits that outweigh costs

The indirect impact will total \$228.5 million and support 1,562 jobs during the construction phase in industries supporting construction, such as site preparation and truck transportation. The induced impact is expected to total \$220.8 million with 1,454 jobs in the state during the construction period, benefitting firms in consumer service-related industries such as restaurants, hospitals, and retail stores. During the ten year period, the annual average impact from construction activities will be \$92.9 million in Virginia, supporting 536 jobs per year.

Demonstrates effective use of resources

The legislative bill included language establishing the basic parameters for the Trust Fund. These included guidance on the allocation of funds for grants and loans, a statement describing the types of activities eligible for grants or loans, and a list of the types of organizations eligible to receive program funds. The budget direction also stressed the importance of requiring opportunities for leveraging and providing flexibility in loan products.

Conclusion

All HFA home purchase programs are undergoing profound changes as a result of the impact of the current foreclosure crisis. In particular, the legal and regulatory framework has a significant impact on our ability to assist homeowners. The contentiousness of these issues require forums in which all effected parties can come together on a nonpartisan basis to consider alternatives and craft solutions. Virginia’s Housing Trust Fund Campaign, facilitated and supported by VHDA, has provided such forums. It has provided a central point of information and analysis on housing needs and has facilitated the building of consensus on legislation addressing key affordable housing issues. The successes were made possible by VHDA’s significant commitment of staff time and support. However, that investment has paid significant returns to VHDA’s own affordable housing efforts and those of our industry partners.

Attachments:

[Housing Policy Framework for the Commonwealth of Virginia](#)
[Virginia Housing Trust Fund Structure and Use Plan](#)
[Trust Fund Enacted into the Code of Virginia](#)