

## Virginia Housing Development Authority Campaign for a Statewide Housing Policy

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***“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***

### **Building Consensus for a Comprehensive Statewide Housing Policy Framework**

In recent decades, states have played an increasingly important role in assuring access to quality, affordable housing for their residents. Today, through the leadership and administrative capacity of state HFAs, the role of states now matches that of federal and local governments. Nonetheless, much of the states’ role involves administering federally funded assistance programs, and many states remain reluctant to intervene in housing development matters that are viewed as local issues. In the past, this has led to deferral to federal policies and priorities in providing housing assistance and to local government land use and zoning policies in shaping residential development patterns. State housing policy has tended to occur in fragmented arenas without an overarching view of desired housing goals and outcomes.

Today, state governments see the need to take a broader and more comprehensive look at housing issues. In Virginia, VHDA has found it increasingly difficult to effectively employ the capital and subsidy resources we administer in the absence of an articulated consensus on the specific policy priorities and objectives that the Authority and other state entities need to collaboratively address. Consequently, VHDA has used its status as an effective housing program administrator, and the respect its staff has earned for knowledge, experience and nonpartisanship, to help create the strong coalitions necessary for the state legislative and executive branches to build a common housing policy framework that addresses the full array of housing issues facing the Commonwealth. This policy sets clear direction for the use of state and federal resources in alignment with sound state regulatory framework, and helps build and sustain housing delivery capacity in Virginia.

### **Working with the Virginia Legislature to Lay the Groundwork for a State Housing Policy**

In the past, housing policy in Virginia has been the purview of the legislative Virginia Housing Commission, which developed and built political support for comprehensive legislative initiatives that established a state administrative structure for housing (i.e., the creation of VHDA and the Virginia Department of Housing and Community Development), comprehensive housing regulatory structures (e.g., the Virginia Uniform Statewide Building Code and Virginia Residential Landlord and Tenant Act), and state funding structures to support affordable housing development (e.g., the Virginia Housing Partnership Fund). However, over the past two decades, the Commission’s focus has narrowed, and its role has shifted to the annual vetting of individual pieces of housing and real estate related legislation. This was of concern to some Commission members who desired a current and broader policy framework within which to make incremental legislative recommendations.

At the Commission’s request, VHDA played a lead role in convening a cross-section of housing industry partners, state, federal and local government representatives, and affordable housing stakeholders to craft a state Housing Policy Framework to guide the Commission’s annual plan. The Policy Framework established Guiding Principles based on bi-partisan consensus on desired housing outcomes, and identified key unresolved housing policy issues in five broad policy areas to which the Commission needed to direct its attention going forward. VHDA hosted and facilitated the work sessions and drafted the Guiding Principles and Key Issues reports, which were presented to and adopted by the full Housing Commission. Subsequently, the Commission restructured its standing

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workgroups to align with the five issue areas identified in the policy framework, and developed work plans more clearly grounded in the Guiding Principles.

### **Developing Virginia's First Executive Branch Housing Policy Framework**

This success in helping the General Assembly develop a clear housing policy focus led housing stakeholders to seek action by the executive branch to likewise clarify its housing priorities and goals. Traditionally, administrative housing policymaking occurred within state agency and secretariat silos. This made it difficult to fully address housing issues of rising priority that spanned agency and secretariat spheres of responsibility—e.g., expansion of supportive housing opportunities for extremely low-income persons at risk of institutionalization, and better linking housing and employment opportunities through transit oriented development. Therefore, when in 2010 the McDonnell Administration expressed an interest in establishing Virginia's first executive branch policy framework, VHDA seized the opportunity to help shape a policymaking framework that could help move forward several immediate state priorities and also put in place an inter-agency, inter-secretariat collaborative framework to facilitate ongoing administrative policymaking.

VHDA, in partnership with the Virginia Department of Housing and Community Development (DHCD), provided staff support to the Governor's Senior Economic Advisor in structuring a process for developing an administrative Housing Policy Framework. VHDA took the lead in crafting 2010 Executive Order 10, which established the need for a comprehensive administrative housing policy, identified key state housing priorities based on the Virginia Housing Commission's Guiding Principles, and established the Governor's directive to state agencies to work collaboratively to develop a Housing Policy Framework. VHDA then worked with DHCD to create a Housing Policy Work Group composed of a cross-section of housing stakeholders and a larger Housing Policy Advisory Committee to oversee and guide the development of the policy framework. VHDA and DHCD used their strong relationships with the Virginia Housing Commission to assure that the work of the Governor's initiative remained fully aligned with the Commission's ongoing legislative work. The Commission's Guiding Principles and Key Issues reports were made the starting point for Governor's Housing Policy Framework. VHDA and DHCD assisted the Governor's Senior Economic Advisor in regularly briefing the Commission on the Administration's initiative in order to ensure cooperation and collaboration between the executive and legislative branches.

VHDA has used its staff program knowledge and experience and internal analytic capacity to enable the Administration to successfully carry forward this important state initiative. VHDA has hosted and facilitated meetings of the Housing Policy Work Group and Advisory Committee. In addition, VHDA developed and maintains the policy initiative's website ([www.virginiahousingpolicy.com](http://www.virginiahousingpolicy.com)) and assumed responsibility for drafting a Housing Policy report which was presented by the Governor's Economic Advisor at the Governor's annual statewide housing conference.

### **Addressing the Human and Economic Impacts of Foreclosure as a Key Component of Housing Policy**

VHDA has also taken the lead in supporting the work of Virginia Foreclosure Task Force, which was created as a result of the Authority's encouragement, as one of two special work groups to address immediate housing policy priorities. VHDA developed and maintains the Task Force's website ([www.virginiaforeclosureinfo.com](http://www.virginiaforeclosureinfo.com)), develops and presents quarterly in-depth analytic updates on foreclosure and housing market trends in Virginia to guide the Task Force's work, and organizes and facilitates its meetings. With VHDA's assistance and support, the Task Force introduced and won passage of legislation in 2011 amending Virginia's SAFE Act to exempt nonprofit housing counselors engaged solely in foreclosure prevention counseling from having to be licensed. This legislation was of critical importance to the success of VHDA's and other mortgage lenders' foreclosure prevention efforts and helped VHDA achieve its strategic objectives. As a result of the Task Force's recognized success in building consensus on

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foreclosure-related matters, the 2011 General Assembly forwarded six bills to it for further review and recommendation. VHDA facilitated the Task Force's consideration of those legislative proposals by organizing meetings, and identifying and scheduling subject matter expert presenters. VHDA's willingness to invest staff time, expertise and analytic capacity has enabled the Task Force's success in helping Virginians who are at risk of foreclosure as well as those experiencing foreclosure.

### **Conclusion**

HFAs play a significant role in setting housing policy through the investment of mortgage capital in affordable housing programs, the allocation of federal Low Income Housing Tax Credits, and the administration of federal Housing Choice Vouchers, and other state and federal housing funds. Nonetheless, those critical capital and subsidy resources cannot be employed on a cost-effective basis to address Virginia's critical housing needs unless fully aligned with broader state policy and the regulatory and investment decisions of other state entities. VHDA's programs, like those in other states, are increasingly being asked to address needs that require collaborative inter-agency responses that bridge agency and secretariat boundaries. That is why VHDA chose to take a leadership role in the campaign for a statewide housing policy. VHDA's investment of staff analytical capacity toward the development of state policy pays long-term dividends in more cost-effective use of limited state resources. In addition, through collaborative involvement in state policymaking, VHDA has also forwarded its own strategic objectives.

State HFAs have developed significant staff capacity, knowledge and experience. In light of new fiscal realities, it is imperative that HFAs now invest that capacity to help forge more comprehensive and effective state housing policy, as VHDA has done, in order to ensure their continued ability to address critical unmet housing needs, while achieving their mission of providing quality, affordable housing. VHDA has demonstrated that, in an era of partisan division and divided government, state HFA involvement in state policymaking can effectively build bridges across the executive and legislative branches of government and disparate stakeholder groups to reach consensus on desired housing outcomes and priorities, while forging strong coalitions that will surely be needed to address State housing needs well into the future.

# Governor McDonnell's Virginia Housing Policy

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GOVERNOR OF VIRGINIA  
*Bob McDonnell*



GOVERNOR'S SENIOR  
ECONOMIC ADVISOR  
*Bob Sledd*

## Welcome to Virginia Housing Policy

Housing helps define communities and is a major component in determining the quality of life for individuals, families, and the Commonwealth's general prosperity. Along with a good job, affordable housing provides the building blocks for the American Dream. Housing has always been a major force in the prosperity of the Commonwealth. A healthy economic environment for housing significantly contributes to the vitality of the overall economy.

- [Executive Order Number 10 Housing Policy Framework of the Commonwealth of Virginia](#)
- [Governor McDonnell's Housing Policy Initiative Seeks Public Comments](#)
- [Governor McDonnell's Senior Economic Advisor Unveils Interim Report of the Virginia Housing Policy Framework Initiative](#)

### Documents

#### [Interim Housing Policy Framework Report](#)

#### [Initial Report of the Homeless Outcomes Advisory Committee](#)

#### [Housing Input Summary, VCU, Performance Management Group \(PMG\)](#)

The Performance Management Group (PMG) at VCU is helping to facilitate the creation of a statewide housing policy.

[more...](#)

#### [Guiding Principles](#)

In 2006, the Virginia Housing Commission, under the leadership of Delegate Terrie Suit, undertook a broad review of state housing policy.

[more...](#)

[View all documents.](#)

### Meetings

#### July 12, 2011

##### **Housing Policy Workgroup and Advisory Committee Meeting 2:30 - 4:30 p.m.**

Location: Virginia Housing Development Authority, 601 South Belvidere Street, Richmond

Purpose: Provide update on the progress of the Housing Policy initiatives and receive input on shifting housing policy priorities

#### November 17, 2010, 1:00 P.M.

##### **Bob Sledd, Senior Economic Advisor to Governor McDonnell, Housing Policy Update to the Virginia Housing Commission**

Location: General Assembly Building, Senate Room A

[View all scheduled meetings.](#)





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## Welcome to Virginia Foreclosure Info

It's important to get in touch with your lender as soon as possible when you start having trouble making payments. In many cases contacting a lender early in the process will make it easier for you to work out a plan to help you get back on track, depending on your situation and how far behind you are.

### Foreclosure Help

Locate a Counselor in your area by entering a **Zip Code:**

When you call the non-profit organization in your area, be sure to ask if there is a charge and whether your housing counselor is certified. Note: The U.S. Department of Housing and Urban Development (HUD) does not allow fees to be charged for foreclosure prevention counseling on FHA loans.

For a complete list of certified counselors [click here](#).

### Announcements

#### HUD Announces EHL Program to Assist Distressed Borrowers

Last week, the U.S. Department of Housing and Urban Development (HUD), in conjunction with NeighborWorks® America, launched the Emergency Homeowners' Loan Program (EHL) to help homeowners who are at risk of foreclosure in 27 states across the country and Puerto Rico.

Under HUD's EHL guidelines, eligible homeowners can qualify for an interest free loan which pays a portion of their monthly mortgage for up to two years, or up to \$50,000, whichever comes first.

[more](#)

### Policy/Research

[Interim Housing Policy Framework Report](#)

[Review of Virginia Foreclosure Trends June 21, 2011 \(21 pages\)](#)  
[more...](#)

### FAQ

[Should I call my Mortgage Lender or Loan Servicer? What's the difference?](#)

[When should I call my loan servicer?](#)

[What if I don't want to call my loan servicer?](#)



GOVERNOR OF VIRGINIA  
*Bob McDonnell*

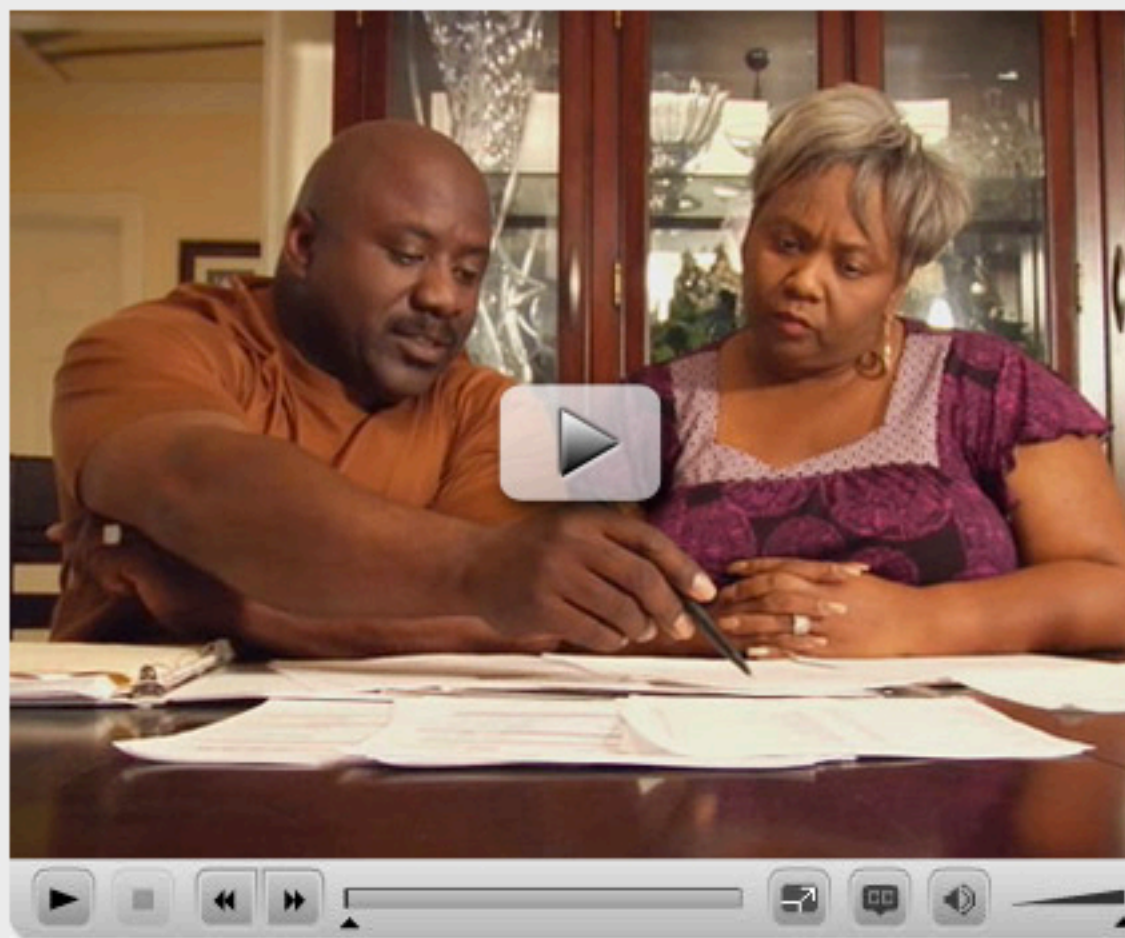


SECRETARY OF VETERANS  
AFFAIRS AND  
HOMELAND SECURITY  
*Terrie Suit*



GOVERNOR'S SENIOR  
ECONOMIC ADVISOR  
*Bob Stedd*

An important message from the Federal Trade Commission about avoiding foreclosure rescue scams.





*Commonwealth of Virginia*  
*Office of the Governor*

## *Executive Order*

**NUMBER TEN (2010)**

### **HOUSING POLICY FRAMEWORK OF THE COMMONWEALTH OF VIRGINIA**

#### **Importance of the Issue**

Housing helps define communities and is a major component in determining the quality of life for individuals, families, and the Commonwealth general prosperity. Along with a good job, affordable housing provides the building blocks for the American Dream. Housing has been a major force in the prosperity of the Commonwealth. A healthy economic environment for housing significantly contributes to the vitality of the overall economy.

Clear and consistent housing policy is an essential factor in economic development; the provision of human services; and the development of transportation systems. The location, arrangement and cost of housing also intersect with broad urban and rural policies. Because of these interactions, housing policy within the executive branch should be coordinated with and be an integral part of each of these parallel policy initiatives.

Within the legislative branch, the Virginia Housing Commission has recognized the importance of developing policy principles intended to aid the Commission in considering the effect of legislative proposals and issues brought before it. Similarly, the executive branch should develop a similar policy framework to help guide decision-making and promote coordination across programs. At a time when unprecedented budgetary issues require that the state use its resources in the most efficient and effective manner possible, the housing policy framework can serve as a means for identifying and implementing appropriate actions within the bounds of the core functions of government.

## **Housing Policy Framework of the Commonwealth of Virginia**

By virtue of the authority vested in me under Article V of the Constitution of Virginia and under the laws of the Commonwealth, including but not limited to Chapter 1 of Title 2.2 of the *Code of Virginia*, I hereby establish the following housing policy framework for the executive branch. The purpose of the housing policy framework is to establish broad goals and policy direction related to housing policy and to coordinate a comprehensive and effective housing policy with other public policy areas and initiatives across multiple secretariats within the executive branch.

The housing policy framework for the Commonwealth should be consistent with the following housing principles.

1. Recognize the role of the housing industry as a critical economic development engine within the Commonwealth by streamlining regulations, ensuring robust finance and construction sectors, promoting the development of workforce housing, reducing commute times between home and work, and increasing residential access to transportation systems, while furthering public understanding of housing finance and economic literacy.
2. Promote sustainable and vibrant communities through measures that promote mixed use development, increase energy efficiency and use of cost effective green building concepts, support the rehabilitation of substandard housing, clarify the role of community associations in common interest communities, and expand public-private cooperation in addressing affordable safe housing.
3. Ensure that a range of housing options can be provided to meet the housing needs of a dynamic and changing population, achieve proper balance between homeownership and rental options, promote a continuum of quality housing options for special needs populations, match existing subsidies with areas of housing need, and increase the emphasis on fair housing (eliminating barriers to housing).
4. Increase capacity to address the needs of homeless Virginians by focusing on the reduction of chronic homelessness, ensuring the continued viability of the safety net of shelters and services, and investing in transitional and permanent supportive housing.

The Governor's Senior Economic Advisor, the Secretary of Commerce and Trade, the Director of the Department of Housing and Community Development, and the Executive Director of the Virginia Housing Development Authority along with other Cabinet members and their agencies will be responsible for carrying out the provisions of this order.

This Executive Order shall be effective upon its signing and shall remain in full force and effect unless amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia this  
30 th day of April 2010.



*Robert F. McDonnell*

Robert F. McDonnell, Governor

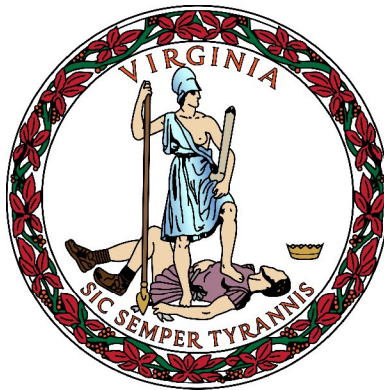
Attest:

*Janet V. Polarek*

Secretary of the Commonwealth



# HOUSING POLICY FRAMEWORK FOR THE COMMONWEALTH OF VIRGINIA



## INTERIM REPORT TO THE GOVERNOR

NOVEMBER 18, 2010

[www.virginiahousingpolicy.com](http://www.virginiahousingpolicy.com)



## Summary of Interim Recommendations and Actions

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### **Recognize the role of the housing industry as a vital economic development engine within the Commonwealth**

Action:

*Establishment of the Virginia Foreclosure Task Force to provide a timely response to current and emerging issues related to foreclosures and housing market recovery.*

Recommendations:

- 1. Initiate a review of existing regulations with a major impact on housing to streamline processes and mitigate costs*
- 2. Develop an enhanced administrative process to ensure adequate review of the impact of proposed regulations on housing*
- 3. Support the provision of loss mitigation counseling*
- 4. Enhance economic literacy among Virginia's high school students*
- 5. Address the integral linkage of housing, employment and transportation through establishment and alignment of land use priorities and incentives*

### **Promote sustainable and vibrant communities**

Recommendations:

- 1. Establish and align state priorities and incentives to promote private housing development which supports sustainable communities*
- 2. Enhance the ability of state and local agencies to offer consistent incentives for housing developments that incorporate "visitability" and Universal Design standards*

### **Ensure the provision of a range of housing options**

Recommendations:

- 1. Establish and align state priorities and incentives to promote expanded housing options*
- 2. Create a structure authorizing a state housing trust fund to enable a consistent source of "gap" financing for affordable housing development*
- 3. Establish and align state priorities and program resources to promote a continuum of quality housing options for special needs and at-risk populations*



## Summary of Interim Recommendations and Actions

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4. *Maintain and enhance administrative structures that support inter-agency and inter-secretariat collaboration in addressing special housing needs*
5. *Reform existing state assisted-living funding programs to expand access to non-institutional, community housing options*
6. *Address local barriers to affordable housing*
7. *Address ongoing concerns regarding rental housing non-compliance with federal fair housing accessibility requirements*

### Prevent and reduce homelessness in the Commonwealth

#### Action:

*Establishment of the Homeless Outcomes Advisory Committee to assist in drafting an action plan to increase the efficiency and effectiveness of state resources in order to prevent homelessness and address the needs of homeless Virginians*

#### Homeless Action Plan Overall Target:

*Reduce homelessness in the Commonwealth by fifteen percent over the next three years*

#### Homeless Action Plan Goals:

1. *Increase the number of permanent supportive housing units in the Commonwealth*
  2. *Increase the flexibility of funding to prevent homelessness and support Rapid Re-housing for individuals and families*
  3. *Increase statewide data collection and system coordination*
  4. *Increase access to substance abuse and mental health treatment*
  5. *Evaluate, develop and ensure implementation of statewide, pre-discharge policies for the foster care system, hospitals, and mental health and corrections facilities*
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