

NCSHA 2015 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 10, 2015

Visit ncsha.org/awards to view the Annual Awards Call for Entries.

Instructions: Type entry information into the form and save it as a PDF. Do not write on or scan the form. If you have any questions contact Matt Cunningham at mcunningham@ncsha.org or 202-624-5424.

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name: _____

HFA: _____

Submission Contact: (Must be HFA Staff Member) _____ **Email:** _____

Please provide a 15-word (maximum) description of your nomination to appear on the NCSHA website.

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

HFA: _____

Entry Name: _____

Select the appropriate subcategory of your entry and indicate if you are providing visual aids.

Communications	Homeownership	Legislative Advocacy	Management Innovation
Annual Report	Empowering New Buyers	Federal Advocacy	Financial
Creative Media	Encouraging New Production	State Advocacy	Human Resources
Promotional Materials and Newsletters	Home Improvement and Rehabilitation		Operations
			Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
Encouraging New Production	Combating Homelessness	Special Achievement	Yes
Multifamily Management	Housing for Persons with Special Needs		No
Preservation and Rehabilitation			

Brief Description: VHDA's REACH *Virginia* program – which stands for Resources Enabling Affordable Community Housing in Virginia – is VHDA's funding initiative that provides a substantial increase in subsidized financing for an array of housing opportunities in Virginia.

The REACH program's unique features begin with its funding structure. When REACH was created, it replaced a "net cash flow" model that VHDA and other HFAs used to make funds available for direct "internal" program subsidies. With the creation of REACH, VHDA began allocating 15 percent of net revenues, averaged over the previous three years, to provide these housing subsidies. This move proved to be very effective in that it almost tripled VHDA's subsidy support compared to the previous year.

Due to a consistent increase in revenues over the last several years, VHDA's Board recently approved an increase in the REACH percentage to 20 percent. **This funding model has continued to be very successful – since its inception, REACH has provided approximately \$170 million in VHDA resources to generate \$1.5 billion in subsidized financing for many housing opportunities in Virginia.**

These opportunities include providing financial assistance to targeted areas of need, including minority markets, extremely low income populations, persons with disabilities, seniors, the homeless, and community revitalization. In addition, VHDA's REACH program provides a number of grants for capacity building, homeownership education counseling, foreclosure prevention, predevelopment planning, and home loan modifications.

The actual impact of the REACH investment is further magnified by the utilization of a specially created **REACH Team** that conducts outreach, capacity building, and project facilitation activities to local governments and non-profit partners, thereby strengthening the ability of these organizations to effectively utilize REACH financing and the resulting leveraged resources. Comprised of VHDA professionals with diverse expertise in the housing industry, the REACH Team functions much like a consulting group as it demonstrates the value of VHDA products and services.

This year, in addition to the 20 percent REACH allocation increase this year, VHDA will set aside an additional REACH pool to support two special initiatives: HUD's Rental Assistance Demonstration (RAD) initiative to transform public housing to a project-based voucher/rental assistance model, and the DOJ settlement concerning housing for persons with intellectual and/or developmental disabilities. This set aside will be up to \$10 million each year for the next three years, and is over and above the amount calculated by the 20% formula.

VHDA's REACH program dedicates its resources to three main program areas – Homeownership, Rental, and Community Outreach. The programs listed below provide a snapshot of the many initiatives supported by REACH:

Homeownership Programs

Habitat Line of Credit – With the assistance of REACH funds, VHDA established a line of credit with the Virginia Office of Habitat for Humanity at an interest rate of 3% for 15 years to assist local Habitat chapters in serving very low-income homebuyers (50% or less of AMI).

Granting Freedom – This program funds home accessibility improvements for Virginia servicemen and women injured in foreign wars. Up to \$4,000 in grant assistance is provided for improvements including ramps, the widening of doorways, and the installation of grab bars.

Direct Originations Downpayment and Closing Cost Assistance – This assistance targets the most difficult to serve rural areas of Virginia, and fills the gaps left by recent federal budget cuts and the resulting reduction in funding for the HOME program. With REACH's help, up to 10 percent of the home sales price is available in the form of a grant to families obtaining a VHDA 1st mortgage and whose income does not exceed 80% AMI.

New: 3% Downpayment Assistance Grant Program – Through REACH, VHDA provides a grant up to 3% of the purchase price of a home to be used as a downpayment. First-time homebuyers must have incomes that are at or below 80% AMI.

Rental Programs

Sponsoring Partnerships and Revitalizing Communities (SPARC) – REACH is the financial backbone that provides VHDA's Multifamily SPARC Program with the ability to provide fixed low-rate, long-term financing for developments supporting housing for low-income persons with disabilities and the homeless, as well as promoting community revitalization and affordable rental unit preservation.

SPARC Flex – This REACH pool gives VHDA the flexibility of assigning interest rates and terms based on compelling project needs. Examples include low-interest loans for single room occupancy (SRO) developments serving homeless populations, housing opportunities for people with disabilities (PWD), and developments serving extremely low-income (ELI) populations, including ex-offenders.

Mixed Use Mixed Income (MUMI) Financing – The Mixed-Use/Mixed-Income Financing Initiative supports new projects in areas identified by localities for revitalization. These projects typically provide the basis for further reinvestment and mixed-use/mixed income development opportunities in communities undergoing revitalization.

New: Rental Assistance Demonstration (RAD) – VHDA plans to utilize REACH resources to create a Special Initiatives Pool (SIP) designed to support the transformation of public housing and the facilitation of affordable housing opportunities for persons with Intellectual/Developmental Disabilities (I/DD), in support of HUD's RAD program.

Community Outreach Programs

Community Homeownership Revitalization Program – REACH helps provide reduced rate mortgage financing to promote homeownership opportunities in communities with designated revitalization areas, often in tandem with a REACH Mixed-Use/Mixed-Income Planning Grant that provides capacity building assistance for localities.

Disability Rental Modification Grant – REACH provides grants to finance necessary home modifications and support independence for low-income tenants with disabilities. The maximum grant amount is \$4,000.

Housing Education and Counseling Grant – This REACH grant supports housing counseling agencies by providing funding for individual counseling or group classes, including *Pre-Purchase/Home Buying, Resolving or Preventing Mortgage Delinquency or Default, Non-Delinquency Post-Purchase, and Locating, Securing, or Maintaining a Residence in Rental Housing.*

New: Capacity Building Program – Financed by REACH, this program consolidates several previous initiatives to support capacity building opportunities that are critical to VHDA's affordable housing services delivery network. These initiatives include the Harvest Program, which provides assistance to faith-based housing organizations, and capacity building mini-grants that provide recipients with training to promote an organization's sustainability.

As you can see, the importance of VHDA's REACH program cannot be overstated – it provides the funding structure for many needs that otherwise may not be supported by other funding sources.

Why It Is Meritorious

Innovative: The REACH program is truly innovative – what VHDA has done is create a unique subsidy program that's completely open in terms of how these funds get used. As a result, it promotes programmatic innovation within the Authority because staff members recognize that REACH resources can be used in a way that is most effective to meet pressing needs – whether it's an outright grant, an interest rate reduction, or a line of credit.

Responds to a state housing need: When REACH was first established, it grew out of a statewide needs assessment as well as VHDA's strategic planning process. As a result, critical housing priorities were identified for VHDA to address. On the homeownership side, these included reaching minority and other targeted populations; on the rental side, it was addressing the needs of people with disabilities as well as other lower income populations

whose needs we were not being met through other VHDA programs. So, the importance of REACH is that it offered a completely flexible resource that allowed VHDA to structure subsidies to fit particular state housing needs. As different administrations have established key state housing priorities, REACH has been the primary subsidy tool that VHDA has used to establish programs or initiatives to help address those critical priorities. For example, in support of the current administration's initiatives, VHDA is currently using REACH in addressing RAD and the DOJ settlement, assisting with veteran homelessness and other homelessness initiatives, funding down payment assistance to help jump start the home purchase market for lower income households, and supporting greater affordability within the tax credit developments that we are financing.

Achieves intended results: REACH has been very successful in strategically addressing Virginia's priority housing needs and achieving successful outcomes, mainly in two ways. First, REACH has allowed VHDA to better serve targeted populations, including people with disabilities, seniors, veterans, and others through special loans and grants. Second, through financial support and capacity building efforts, REACH has allowed VHDA to maintain a strong affordable housing delivery system in Virginia through which it provides resources to a network of housing development partners.

Provides benefits that outweigh the costs: By switching from a "net cash flow" model to one that used a percentage of net revenues, VHDA created a much larger funding pool to subsidize the financing and grants needed to address the housing needs of the state's hardest to serve populations. In fact, during the REACH program's first year, it provided three times the funding provided by the previous year's pool. As mentioned above, REACH has provided approximately \$170 million in resources that generated \$1.5 billion in subsidized financing since its inception. Costs for the REACH program are negligible since the funds allocated to REACH already existed in other programs; however, a number of new staff members were hired as REACH Team members to provide assistance to local partners. An additional "cost" was the risk VHDA took on as a result of making more difficult loans through REACH.

Conclusion

VHDA created the REACH program by taking a portion of its net revenues and applying them in the form of subsidies to address needs that otherwise were not being addressed through other programs. REACH has been very successful – in fact, approximately 24,000 rental units and 5,000 homeownership units financed by VHDA are using some investment of REACH resources. In addition, approximately 70 percent of rental developments financed by VHDA use some form of REACH funding. REACH has also been successful in serving targeted populations – such as seniors and people with disabilities – whose needs were not always being met through other programs. What REACH offered was a resource that was completely flexible and could be structured in any way. As a result, VHDA has been able to uniquely structure subsidies to fit particular programmatic needs, often in line with key state housing priorities.

Recently, VHDA expanded REACH to address a number of issues, including RAD, the DOJ settlement, homelessness initiatives, down payment assistance for lower income households, and to support greater affordability within the tax credit developments that that it is financing.

At the end of the day, VHDA cannot deliver any of our programs and services without effective partnerships. One of the most important aspects of REACH is that it has helped solidify VHDA's partnerships with non-profit organizations, redevelopment and housing authorities, local governments, and developers to facilitate and increase local housing opportunities across Virginia.

For a more complete picture of the results generated by REACH, please click on the links attached below.

Attachments:

[REACH Virginia Case Study #1](#), [REACH Virginia Case Study #2](#), [REACH Virginia Case Study #3](#), [Virginia Town & City Magazine Articles](#), [Community Outreach Report](#)