

VHDA Rental Loan Products & Programs

VHDA offers loans to developers – both for profit and non-profit – to finance the construction and rehabilitation of affordable rental properties.

- Most of VHDA's rental lending is through its **bond-funded loan programs**. VHDA sells both taxable and tax-exempt bonds to support loans to developers, primarily for larger rental projects – 50 or more apartment units – serving low- and moderate-income tenants (generally serve households with incomes below 60 percent of the area median income). These loans include parameters that help ensure that the property financed serves low- and moderate-income tenants for the full term of the mortgage.
- In addition, VHDA has capitalized the **Virginia Housing Fund** with monies from the VHDA's fund balances, to provide flexible and affordable financing for housing that serves needs that cannot be served through bond-funded programs. Rental loans are made to finance housing that serves very low-income households and populations with special housing needs.

VHDA's rental housing developments continue to serve the state's low- and moderate-income populations – more than 80 percent of our projects serve residents at 60 percent or below area median income.

VHDA also administers federal and state subsidy programs that enable developers to serve very low-income households.

- VHDA administers the **Housing Choice Voucher program** on behalf of the U.S. Department of Housing and Urban Development. The program provides rental subsidies to qualifying very low-income households to make up the difference between the rent charged by a participating private landlord and the amount the household can afford to pay. Program eligibility is based on total annual gross income and family size. VHDA receives federal dollars and utilizes local administrative agents to take applications from needy households and recruit landlords to participate.
- Another type of federal assistance administered by VHDA are **Low-Income Housing Tax Credits**. VHDA allocates these tax credits to developers of new or rehabilitated rental housing serving lower income households. The credits reduce the amount of money the developer needs to borrow and, thereby, enable rents to be affordable to households with income of 60 percent or less of the area median. Developers submit tax credit proposals to VHDA, which are evaluated and ranked according to criteria that encourage the development of long-term, quality, lower rent units. This program also serves as an incentive for private investors to participate with developers in the construction and rehabilitation of low-income units.

