

The Virginia Housing Fund

In 1986, VHDA created the Virginia Housing Fund designating \$45 million to finance housing programs that serve very low-income individuals and support homeownership, rental and regional housing issues. This fund serves individuals with incomes of 50 to 60 percent of the local area median income who cannot be served through VHDA's traditional bond-funded programs. Contributions to the fund have been leveraged with VHDA program funds and other sources.

As of June 30, 2001, the Virginia Housing Fund has made \$354.2 million available for affordable housing in Virginia – financing 12,751 single family units and 5,779 rental units.

One recent example of a Virginia Housing Fund program is VHDA's **Sponsoring Partnerships and Revitalizing Communities (SPARC) program**, which has committed approximately \$47 million to stimulate homeownership opportunities for low-income and minority consumers and those with disabilities. In January 2002, VHDA awarded funds to 32 applicants who will work with localities, housing authorities, developers and housing advocates to custom design loan programs to address local critical needs. It will result in approximately 525 affordable home purchases in Virginia.

Most recently on Oct. 1, VHDA announced **Round 2 of the SPARC homeownership loan program** including a \$55 million allocation of unblended Mortgage Revenue Bond and Virginia Housing Fund monies. Round 2 will be allocated on a competitive basis. Proposals should include strategies that help increase service to low-income households; increase service to minorities and new immigrants; address inadequacies of housing stock; encourage local revitalization efforts; and/or reduce affordable housing gaps not met by traditional lenders. Local governments, housing authorities, non-profit housing and for profit developers are eligible to apply. Applications are due to VHDA by close of business on Dec. 6, 2002. Allocations will be awarded in January 2003.

VHDA also announced a **rental version of the SPARC program** in the spring of 2002, which has committed nearly \$47 million (\$25 million of Virginia Housing Fund monies and \$22 million of tax-exempt bond funds) to finance rental developments for the expansion and preservation of affordable rental units. Developers can apply for the funds but must submit proposals that support one of the four public purpose-lending goals VHDA has outlined for the program.

The Virginia Housing Fund is the largest fund of its kind in the nation and has helped more than 18,000 Virginia households obtain lower cost housing (as of 6/30/01). More than 20 types of homeownership and rental programs have been created since the fund was created in 1986.

