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CONTACT: Brian Matt
804-343-5520, (c) 804-652-8341
Brian.Matt@vhda.com

***NORTHERN VIRGINIA HOUSING ORGANIZATIONS RECEIVE
\$51.7 MILLION TO ADDRESS HOUSING NEEDS***

***VHDA's SPARC Program Helps Housing Organizations
Leverage Monies to Increase Homeownership in Their Communities***

RICHMOND, Va. – Nine Northern Virginia housing organizations are receiving good news and much needed funding for first-time homebuyers. The Virginia Housing Development Authority recently announced that it is allocating \$51.7 million in low-interest financing to these groups to finance affordable homes in Northern Virginia.

The allocations are funded through VHDA's Sponsoring Partnerships and Revitalizing Communities (SPARC) program, which provides home loans to potential homebuyers through local governments, non-profit organizations, developers and redevelopment and housing authorities. The organizations then combine a variety of local, state and federal loan and grant programs to design a variety of financing options that meet the needs of buyers in their specific communities. Organizations that received SPARC funding are eligible to receive allocations at an interest rate of 1/2 to 1 percent below VHDA's rate for first-time homebuyer programs.

In addition to providing customized home financing programs, SPARC funds also support VHDA's strategic initiatives, including community revitalization and addressing the housing needs of seniors, minorities and those with disabilities.

Below is an overview of the Northern Virginia organizations that received SPARC allocations and the programs they designed for the funding:

Arlington County Government has been awarded an allocation of \$12 million to assist borrowers purchasing market rate homes, subsidized affordable dwelling units (ADUs) and those participating in the Employer Assisted Housing Initiative. Arlington County is providing \$3.75 million in subsidies for downpayment/closing costs, second mortgages and discounted sales prices.

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Catholics for Housing (CFH) has been awarded an allocation of \$2 million to assist borrowers purchasing new affordable town homes on acreage owned by CFH in Bristow. Deferred loans through the HOME program and forgivable loans from CFH will be available.

City of Alexandria has been awarded an allocation of \$12 million to finance homes throughout the city. Home affordability will be enhanced by the city's use of federal and local funding sources. These resources, in combination with VHDA's allocation, will significantly increase homebuyers' buying power and will allow for deferred second mortgages and grants.

City of Falls Church has been awarded an allocation of \$3 million to assist borrowers purchasing new Affordable Dwelling Units (ADUs) that will be located in the Byron, Spectrum and Pearson Square Condominiums. Existing condominiums located in Park Towers, Falls Plaza, The Madison and Falls Chase are also eligible for VHDA's SPARC financing. The sales prices of the ADUs will range from \$99,000 to \$146,000, with the City of Falls Church providing deferred second mortgages.

Fairfax County Dept. of Housing & Community Development has been awarded an allocation of \$10 million to help borrowers purchase new or existing homes including rehabilitation of existing properties in conjunction with Fairfax County's Home Improvement Loan Program. Affordable Dwelling Units (ADUs) and Moderate Income Direct Sale Units will have access to downpayment and closing cost assistance through American Dream Downpayment Initiative (ADDI) resources. Federal funds will be available for home improvement grants.

Loudoun County Dept. of Social Services has been awarded an allocation of \$6 million to help finance Affordable Dwelling Units (ADUs) in the Brambleton Community as well as throughout the county. Average sales prices of the ADUs will be one-half the market rate, and low interest downpayment and closing cost assistance loans will be available.

Manassas Housing Trust Fund, Inc. has been awarded an allocation of \$1.5 million to finance existing properties in the City of Manassas. Downpayment and closing cost assistance will be available as well as second mortgages.

Prince William County has been awarded an allocation of \$4.7 million to assist first time homebuyers who live or work in Prince William County to purchase existing homes in the county. Through its Homeownership Assistance Program, the county is providing \$1.6 million of HOME funds to provide deferred interest-free loans for closing costs and downpayments that are sufficient to eliminate private mortgage insurance (PMI).

Scenario, Inc. has been awarded a \$447,500 allocation to finance modular homes constructed in blighted neighborhoods located in Northumberland County. HOME funds will be available for downpayment and closing cost assistance.

"We developed the SPARC program so that our housing partners could bring us customized programs that generally are not available from private lenders or through VHDA's regular lending programs," said Don Ritenour, VHDA's managing director of development. "Our partners have the knowledge and direct insight into the unmet needs in their communities. They are in the best position to design programs that combine their local, state and federal funding with our SPARC monies to make every dollar count."

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Organizations submitted proposals to VHDA in December 2005. All proposals underwent an initial eligibility review and a subsequent competitive review process.

In addition to addressing local needs, the proposals needed to support some or all of VHDA's homeownership goals including: providing loans to low-income households, persons with disabilities and those from diverse cultures; encouraging the construction or rehabilitation of homes for accessibility and overall quality improvements; revitalizing communities; and meeting housing needs not met by traditional lenders.

Proposals that significantly support VHDA's business goals received an allocation of funds at an interest rate of 1 percent below the rate for VHDA's first-time homebuyer loan program, which at today's rate would be 4.25 percent. Other allocations had an interest rate of ½ percent below VHDA's first-time homebuyer rate. Exact rates are determined at the time of actual loan reservation.

VHDA's SPARC program has awarded more than \$498 million to housing organizations to encourage homeownership throughout Virginia since the program was created five years ago.

For more information about the SPARC program, contact one of the organizations listed above. Information can also be found on VHDA's Web site at www.vhda.com or by calling 1-877-VHDA-123.

VHDA is Virginia's housing finance agency. It is a self-supporting authority that issues bonds to raise private capital for its lending programs. VHDA provides consumers with low-interest rate loans to purchase or renovate homes. VHDA also lends money to developers for the development, rehabilitation and renovation of affordable apartments. Affordable Housing Starts Here™.

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