



FOR IMMEDIATE RELEASE
February 21, 2006

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ROANOKE HOUSING ORGANIZATIONS RECEIVE \$7 MILLION TO ADDRESS HOUSING NEEDS

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

RICHMOND, Va. – Two housing organizations are receiving good news and much needed funding for first-time homebuyers in the Roanoke area. The Virginia Housing Development Authority recently announced that it is allocating \$7 million in low-interest financing to both the **Blue Ridge Housing Development Corporation** and **Community Housing Partners/HomeWorks of Virginia** to finance affordable homes in the Roanoke region.

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.

The Blue Ridge Housing Development Corporation has been awarded an allocation of \$4 million in VHDA SPARC funds to help borrowers purchase existing affordable homes throughout the Roanoke Valley, and to continue its Project GOLD (Gainesboro Opportunities Leveraging Development) initiative which is helping to revitalize neighborhoods located in federal targeted areas. In addition, the City of Roanoke has awarded more than \$1 million in

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grants to leverage VHDA's SPARC home loans and support the *Officer at Home* initiative. Also, the Virginia Department of Housing and Community Development, the Federal Home Loan Bank of Atlanta and the City of Roanoke will provide downpayment and closing cost assistance.

Community Housing Partners/HomeWorks of Virginia has been awarded an allocation of \$3 million in VHDA SPARC funds to support new home construction, renovation of existing housing and the resale of affordable condominiums in areas served by CHP. Federal funds will increase affordability by reducing construction costs and providing resources for downpayment and closing costs. Development costs will be covered by lines of credit through Wachovia Bank, First National Bank of Christiansburg, TowneBank and the Federation of Appalachian Housing Enterprises. In addition to the Roanoke area, CHP will address housing needs in the Hampton Roads area and Stephens City.

"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 the local, state and/or federal funding they have received with our SPARC monies to make every dollar count."

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: helping provide loans to low-income households, diverse cultures, new immigrants and persons with disabilities; 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 for a 30-year fixed rate loan. 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.

For more information about the SPARC program, call the Virginia Housing Development Authority at 1-877-VHDA-123 or visit its Web site at www.vhda.com.

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.

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