



**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**

---

**RENTAL HOUSING REACH PROGRAM REQUIREMENTS  
STRATEGIC MARKETS LENDING**

**General Information**

The Rental Housing Resources Enabling Affordable Community Housing (REACH) program is designed to address permanent mortgage financing for a variety of rental housing opportunities and provides financing at a below market interest rate.

This program is a permanent mortgage financing initiative intended to bring new affordable rental units into service or to preserve existing subsidized rental units. Rental Housing REACH is not intended to serve as a product for the refinancing of existing rental housing units nor is it intended to provide construction or interim acquisition/rehabilitation financing for rental units. Applicants seeking resources to refinance existing rental units or seeking construction/permanent financing should refer to VHDA Rental Programs financed with Taxable Bonds outlined on [www.vhda.com](http://www.vhda.com). VHDA is committed to quality rental housing opportunities and has created construction standards which must be addressed by applicants. Therefore, it is critical that applicants consult with VHDA prior to initiation of unit construction or rehabilitation to ensure that the units meet the specified standards in order to ultimately receive permanent mortgage financing.

***The Virginia Housing Development Authority reserves the right to waive any defined requirement contained in this document in the event that the Executive Director determines the proposed housing initiative supports VHDA's intent.***

## **1. HOMELESSNESS**

VHDA is committed to finding a permanent solution to ending homelessness. Rental Housing REACH provides affordable financing options for housing that targets "chronically homeless" people or persons who are at risk of becoming chronically homeless such as persons with dual diagnosis of addiction and mental health issues, children aging out of foster care and homeless veterans. Chronically homeless individuals are defined as "an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years."

The term does apply to those who are considered at imminent danger of becoming homeless due to eviction or foreclosure, children aging out of foster care, homeless veterans.

The following eligibility requirements were structured to support non-profit and governmental entities with a history and capacity for serving the homeless. The Service/Care Providers must demonstrate proper licensing, partnering, planning and locality backing to address this critical housing need with an emphasis on permanent supportive housing.

## **2. HOUSING FOR THE PHYSICALLY DISABLED COMMUNITIES**

VHDA is committed to designing programs and products that provide developers the means to build accessible, affordable places for people with disabilities to live. More importantly VHDA is committed to offering products that encourage a variety of housing alternatives that provide for choice and self-determination for people with disabilities while integrating housing into livable communities with diversity and appropriate community supports to allow people with disabilities to live as independently as is possible. The Authority has adopted the definition of Disability from The Americans with Disabilities Act (ADA): An individual is considered to have a "disability" if he or she has a physical or mental impairment that substantially limits one or more major life activities, has a record of such an impairment, or is regarded as having such an impairment. Persons discriminated against because they have a known association or relationships with an individual with a disability are also protected. Units must be independent living apartments with at least 50% of the units serve individuals with physical disabilities and are accessible using Universal Design (UD) features. If the facility provides supportive services, either appropriate license or provisional license is required.

## **3. REVITALIZATION**

Revitalization is a planned process that strengthens economically impacted communities through local public and private partnerships which stimulate investment in sustainable community development. Such local partnerships can best identify and develop local solutions to address local challenges and opportunities. These partnerships typically leverage investment and support from the State and Federal government. As part of the local revitalization planning process, a specific area is identified and mapped in order to establish the targeted investment boundaries. In the Commonwealth of Virginia, several designations

address local revitalization aspirations:

1. Redevelopment Area, Conservation District, and Rehabilitation Areas as prescribed in Title 36 of the Code of Virginia
2. State Enterprise Zone (DHCD)
3. Virginia Main Street Designation (DHCD)
4. Neighborhood Revitalization Strategy Area (NRSA) as prescribed by the HUD CDBG Program

While this is not an exhaustive list of revitalization related designations, this list illustrates a diverse array of approaches to addressing local needs.

The Rental Housing REACH program is designed to support local revitalization efforts in cases where there exists a clearly defined area established by the locality to focus investment as part of community restoration efforts. The size of such defined areas typically reflects unique local needs.

## **ELIGIBILITY REQUIREMENTS**

The Rental Housing REACH program is designed to support the revitalization investment aspirations related to affordable rental housing in both rural and non-rural communities. Non-entitled communities typically include unincorporated places in counties as well as incorporated towns and small cities. Entitled communities typically include the urbanized metropolitan areas, larger cities, and suburban jurisdictions including counties. The non-entitled communities generally access such HUD resources through the Virginia Department of Housing and Community Development (DHCD). The entitled communities often receive community development and housing funds through a direct relationship with HUD involving programs such as CDBG and HOME.

### **Non-entitled Communities**

Projects located in non-entitled communities must meet the following criteria:

1. Located in a locally designated revitalization area. Eligible areas include (but not necessarily limited to) those prescribed under Title 36 of the Code of Virginia as well as State Enterprise Zone and Virginia Main Street designations. Such local designations shall include areas identified by incorporated towns, independent cities, or counties.
2. Contain four or more units in the same locally designated revitalization area.

### **Entitled Communities**

Projects located in non-rural communities must meet the following criteria:

1. Located in a locally designated revitalization area. Eligible areas include those prescribed under Title 36 of the Code of Virginia as well as State Enterprise Zone, Virginia Main Street, and HUD NRSA designations. Such local designations shall include areas identified by incorporated towns, independent cities, or counties.

2. Located in a Census Tract area where the population does not exceed a poverty level of 40% in order to mitigate the concentration of poverty in a community.
3. The project must be receiving leveraged funds from CDBG, HOME, RHA or other local financial support. Local tax abatement will not be considered eligible as “other local financial support.” Such leveraged financial support should directly support the development budget of the proposed project and average at least \$1,000 per unit in a REACH-assisted project.
4. Contain 6 or more units in the same locally-designated revitalization area.

