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LOCAL HOUSING ORGANIZATIONS RECEIVE \$4.36 MILLION TO ADDRESS CRITICAL HOUSING NEEDS IN ROANOKE AREA

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. Today, the Virginia Housing Development Authority announced that it is allocating \$4.36 million in low-interest financing to both the **Blue Ridge Housing Development Corporation** and **Community Housing Partners** to finance affordable homes in the Roanoke region.

The allocations are funded through VHDA's Sponsoring Partnerships and Revitalizing Communities (SPARC) program, which provides funding for housing organizations throughout Virginia to address critical housing needs in their communities. VHDA announced total allocations of \$113 million in low-interest financing to local governments, redevelopment and housing authorities, non-profit housing advocates and for-profit developers to finance affordable homes.

The Blue Ridge Housing Development Corporation has been awarded an allocation of \$1.36 million in VHDA SPARC funds to help finance affordable homes for residents who make no more than 80 percent of the median income of the area in which the home is being purchased. The organization is partnering with the Roanoke Redevelopment and Housing Authority and the City of Roanoke to use its allocation to finance homes for residents who make no more than \$43,520. The City of Roanoke is providing \$6 million in infrastructure improvements and \$20,000 in Southeast by Design (SEBD) funds. Project GOLD (Gainesboro Opportunities Leveraging Development) grant funds of \$463,147 as well as downpayment and

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closing cost assistance will leverage VHDA first mortgage resources.

Community Housing Partners has been awarded an allocation of \$3 million in VHDA SPARC funds. The cities of Hampton, Newport News and Roanoke are providing \$445,000 for property renovations and the City of Blacksburg is partnering with CHP in the construction of affordable homes. Second deeds of trust for closing costs are also available.

“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 2004. 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 3.75 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.

VHDA’s SPARC program has awarded more than \$287 million to housing organizations to encourage homeownership throughout Virginia since the program was created four years ago.

For more information about the 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 which 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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