

Virginia Housing Alliance

Expanding Housing Opportunity and Ending Homelessness

Support an Additional \$5.5 Million in Funding for the Virginia Housing Trust Fund (VHTF)

HB30 105#2h

SB30 105#1s

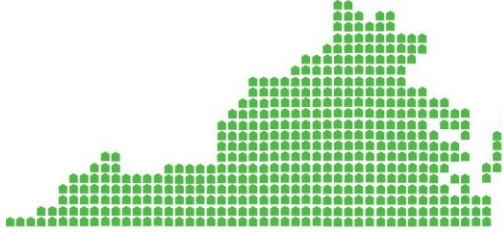
Housing is not only fundamental to the overall quality of life for Virginians, but also for the health of our economy.

The Problem: Affordable housing is difficult to obtain in the state of Virginia. As the 11th most expensive state for renters, many Virginians find themselves burdened by cost of housing. This leaves many households at risk of not being able to pay for other essentials and can lead to homelessness.

The Solution: By investing an **additional \$4.5 million** and fund the Housing Trust Fund at **\$10 million dollars over the next two years**, Virginia can preserve current and create new affordable units throughout the Commonwealth. Such an investment would continue to aid in the overall decline in homelessness throughout the Commonwealth, while also creating jobs in the process.

How does the VHTF increase housing affordability, reduce homelessness and create jobs?

- At least **80%** of this funding is to be used for loans to **reduce the cost of homeownership and rental housing**. Up to **20%** of the fund may be used to provide grants for **targeted efforts to reduce homelessness**.
- A **Competitive Loan Pool** provides low interest loans to finance housing projects directed towards state housing policies. This pool has supported the development of hundreds of units of **affordable rental housing** and **permanent supportive housing**.
- **Foreclosure Rehab Loan Programs** provide low-interest loans to non-profit organizations to transform previously foreclosed homes into **community assets**.
- **Foreclosure Counseling Grants** provide grants to organization working with those who are experiencing foreclosure. This funding has helped hundreds of Virginians facing financial hardship **stay in their homes**. This funding also trains thousand in **financial literacy, home maintenance, and predatory lending**.
- **Homeless Reduction Grant Program** provides grants to homeless service organizations to fund **supportive services, short-term rental assistance, or pre-development funding**. This funding has supported permanent supportive housing, rapid



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rehousing programs, and contributes to Virginia's continued **progress towards ending homelessness**.

- **Vibrant Community Initiative** combines multiple Department of Housing and Community Development (DHCD) funding sources to support local or regional community based projects that include **affordable housing and community or economic development**. This initiative leverages state and federal funds for high impact projects in **targeted communities**.
- As a result of Housing Trust Fund's allocation to finance housing projects, additional funds can be leveraged from other **private and public sources** creating **new jobs (531 were created** following the 2013 allocation).

How the Virginia Housing Trust Fund and Permanent Supportive Housing Support One Another

- The **Virginia Housing Trust Fund supports Permanent Supportive Housing programs**.
- Permanent Supportive Housing funding pays for client rental subsidies and support services. The Virginia Housing Trust Fund loan pool funds the **construction of the infrastructure** used for Permanent Supportive Housing programs.
- Increased funding to the Virginia Housing Trust fund **ensures that there will be a sufficient amount of rental housing** available to meet the needs of **clients with chronic conditions** who would otherwise be unable to afford housing or may be homeless.