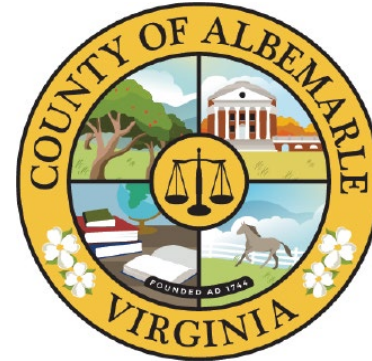


COMING  
BACK  
HOME

# Virginia Housing





# Housing Innovation – Lessons from Across the Commonwealth

Matthew Bolster & Luke Tate

Central Virginia Housing Partnership  
Regional Housing Summit

March 24, 2023





# Virginia Housing Celebrates



**500** YEARS

# About Virginia Housing

- Created in 1972 by the Virginia General Assembly
- Mission: Help Virginians attain quality, affordable housing
- Provide mortgages for first-time homebuyers and housing counseling
- Financing for multifamily and neighborhood revitalization efforts
- Engage with the Housing Delivery Network
- Support community planning efforts



# What We Do

## COMMUNITY OUTREACH

- Strategic Housing
- Education and training
- Partner / locality grants



Virginia  
Housing

50 YEARS

Home helps  
everyone.

# What We Do

## RENTAL

- ▶ Originates and services loans
- ▶ Multi-family development management and compliance
- ▶ Tax credit program



Virginia  
Housing

50 YEARS

# What We Do

## FEDERAL ASSISTANCE PROGRAMS

- Housing Choice Vouchers
- Housing Assistance Fund  
aka VMRP  
[VirginiaMortgageRelief.com](http://VirginiaMortgageRelief.com)

Virginia  
Housing

50 YEARS



**VIRGINIA  
MORTGAGE  
RELIEF**

# What We Do

## HOMEOWNERSHIP

- Provide / service mortgages
- Sell on secondary market
- Down payment and closing cost assistance
- Mobile mortgage office



Virginia  
Housing

50 YEARS





# FY22 Performance and Production

- Financed more than 5,707 rental units with total lending over \$829 million
- We have educated more than 15,500 Virginians annually through our free Homeownership Education classes
- Nearly 7,695 loans worth \$1.8 billion to support homeownership



# REACH Virginia

## Resources Enabling Affordable Community Housing in Virginia

- Virginia Housing reinvests a portion of our net revenues into Virginia's communities through REACH Virginia
- Multifaceted resource that Virginia Housing uses to support vital initiatives through our Homeownership, Rental, and Community Outreach programs



# REACH Virginia

## Resources Enabling Affordable Community Housing in Virginia

- Examples of activities funded through REACH
  - Workforce housing and low-income rental units
  - Grants for housing counselors
  - Revitalizing, stabilizing and sustaining communities
  - Making homes more accessible
  - Helping first-time homebuyers make their down payment
  - Helping our nonprofit partners increase their capacity
  - Providing shelter for homeless individuals



# Why do we need to Innovate?

- Virginia has a shortage of affordable housing for a substantial share of households.
- Statewide, one in three households is cost-burdened, spending more than 30 percent of their income on housing.
- Nearly 1 in 10 households are severely burdened, paying more than 50% of their household income for housing.



# State of the Commonwealth

- Between May 2017 and May 2022, median home prices across the state increased roughly 40%, jumping from \$286,000 to \$401,000: Virginia REALTORS
- As of May 2022, the association estimated that buyers would need a yearly salary of nearly \$96,000 to afford a home in Virginia
- Roughly 30,000 new homes have been constructed in Virginia each year since 2013. In 2020, 33,813 building permits were filed - This was a far cry from a two-decade peak in 2004 when annual building permits were nearly double that amount at 63,215



# Piloting Technical Innovation

- Virginia Housing seeks to spur innovative approaches to housing development to address the issue facing the Commonwealth
- Innovative Demonstrations Grant funding up to \$500,000 to support construction technology and building processes to spur adoption and greater market utilization
- Grant funding has focused on homeownership but considering expansion to include rental and mixed-use development

# ► Modular and Manufactured Housing

- Perceptions of Manufactured Housing have led to a stigma
- Often the most affordable housing in some communities across Virginia
- Mobile home parks are under increasing pressure from investors, likely from outside of the community
- We have partnered with the Virginia Manufactured and Modular Housing Association to help bring awareness to the next generation of these types of housing units

# indieDwell

- Steel-frame, modular housing
- Durable, sustainable, energy-efficient, high quality, affordable
- Single-family and multi-family



9502 COMPTON AVE., LOS ANGELES, CA 90002



49 UNIT PERMANENT SUPPORTIVE HOUSING DEVELOPMENT

11604 VANOWEN ST., NORTH HOLLYWOOD, CA 91606



# Gateway Senior Apartments

- Four-story, modular construction
- Eighty, 1- and 2- bedroom units
- Adults 55+ earning less than 60% AMI
- Innovation round of Virginia Housing's Tax Credit program





**The Rockwell**

1 Bedroom/1 Baths

692 s.f.



**The Heritage**

2 Bedrooms/2 Baths

990 s.f.



# ■ Martinsville – Five Points

- Partnership between City, Harvest Foundation, Nationwide builders
- 12 single family detached
- Modular construction
- Targeting persons at 80%-120% AMI



# Financing and Planning ▶ Innovation

# Community Land Trust Lending

- What CLTs do
  - Sell the house, lease the land
  - Appreciation shared upon resale
  - Resale at affordable price
- Benefits
  - Preserves affordability
  - Preserves value of buyer subsidies



# Community Land Trust Lending

- Lending challenges
  - Ground lease valuation
  - Resale and occupancy restrictions affect value
  - Secondary market for CLT loans
- VH CLT Property Pilot
  - Work with 3 CLTs, select lenders, FNMA
  - Special underwriting criteria to conform to GSE requirements
  - 12 loans closed or locked, 8 purchased



# Mobile Home Park Lending

- Mobile home park challenges
  - Aging and inadequate infrastructure
  - Ownership changes → rent increases
  - “Captive” population
  - Obsolete and deteriorating units
  - Redevelopment → displacement
- Models
  - Individual ownership
  - “Horizontal multifamily”
  - Hybrid



# Mobile Home Park Lending

- Virginia pioneers
  - Habitat of Greater Charlottesville—Sunrise, Southwood
  - Manufactured Home Community Coalition of Virginia
- Virginia Housing involvement
  - Southwood (Albemarle Co.)
  - East End (Manassas)
  - Bermuda Estates (Chesterfield Co.)
  - Sleepy Meadows (Buckingham Co.)

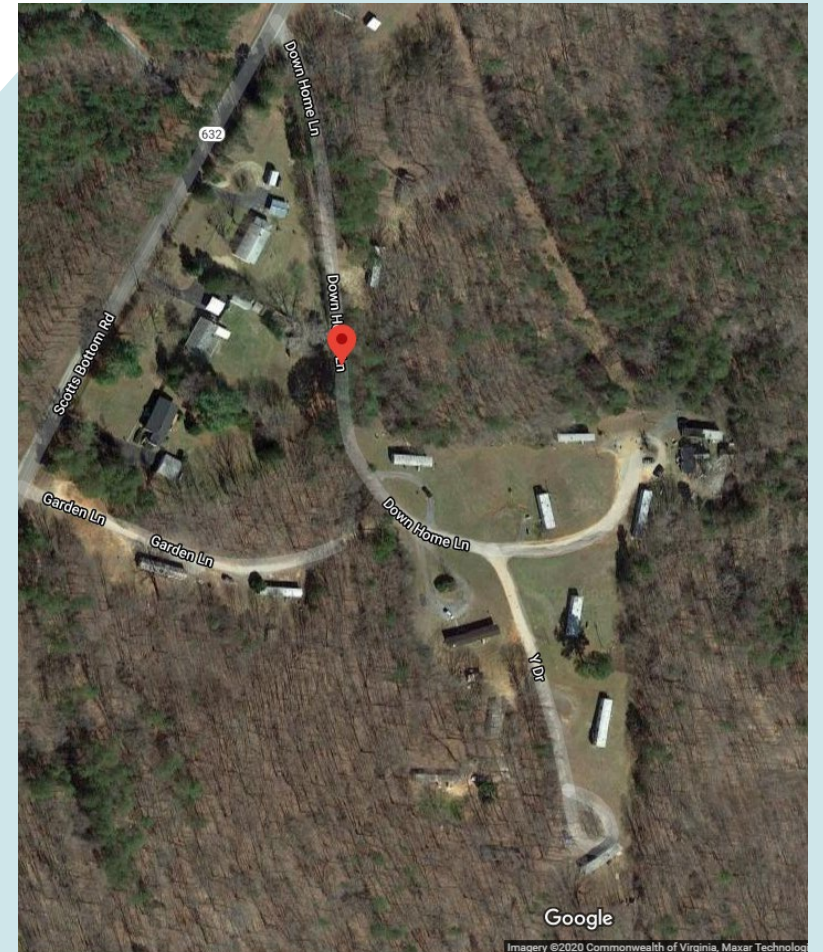


East End MHP



# Sleepy Meadows

- “Horizontal multifamily” model
- Near Dillwyn
- 1970s/80s vintage, mostly vacant
- Objectives
  - Improve infrastructure
  - Replace all 16 mobile home units
  - Rehab existing house
  - Rent for \$750/mo. ( $\approx$ 40% AMI)



# Sleepy Meadows

- Existing conditions





# Sleepy Meadows

- \$29K predevelopment loan for A&E
- Virginia Community Capital construction loan
- \$1.17M REACH permanent loan 25 yr. @ 2.95%, 90% LTV, non-recourse
- \$265K grant
- AMI restriction 100% @ 150% AMI
- Rents \$900 to \$1,000 (under 60% AMI)
- HCVP targeted for 7 units

# ■ Danville – Next Step

- Partnership between the City of Danville, Danville Redevelopment and Housing Authority, Next Step, and the Virginia Manufactured and Modular Housing Association
- Manufactured housing was not allowed in the city due to zoning restrictions
- Partners educated the neighborhood and larger community
- Worked with city staff to engage the Planning Commission
- Neo-Traditional Residential District was created to allow manufactured homes
- Five new infill units
- First-time homebuyer used Freddie Mac's CHOICE Home program
  - First in nation to be sold to Freddie Mac by a Housing Finance Agency

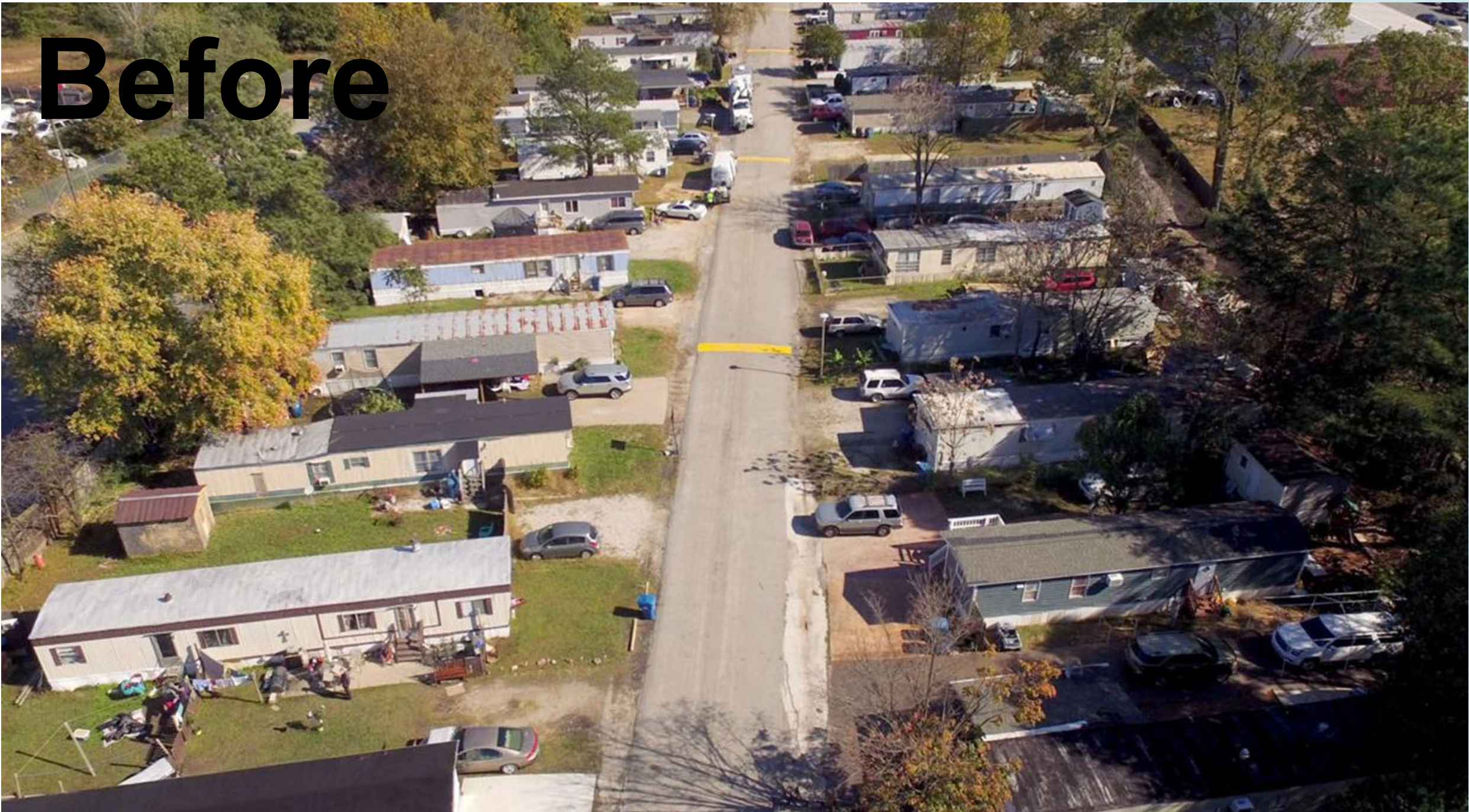


# project:Homes – Manufactured Housing

- Improve quality/performance of Manufactured Housing
- Hardie plank siding, conditioned crawlspace, durable skirting, increased insulation, wider eaves for water control and appearance, front entrance, porches
- Six units planned; replacement units for Bermuda Estates



# Before



# After





# 3-D Printing

- Innovation Grant funding provided \$500,000 to the Center for Housing Research at Virginia Tech for pilot projects using 3-D printing in partnership with Alquist 3D
- Used for two projects in Richmond and James City County
- Partnered with project:HOMES and the Better Housing Coalition in Richmond and Habitat for Humanity Peninsula & Greater Williamsburg





# Southwood Panelized ADU construction

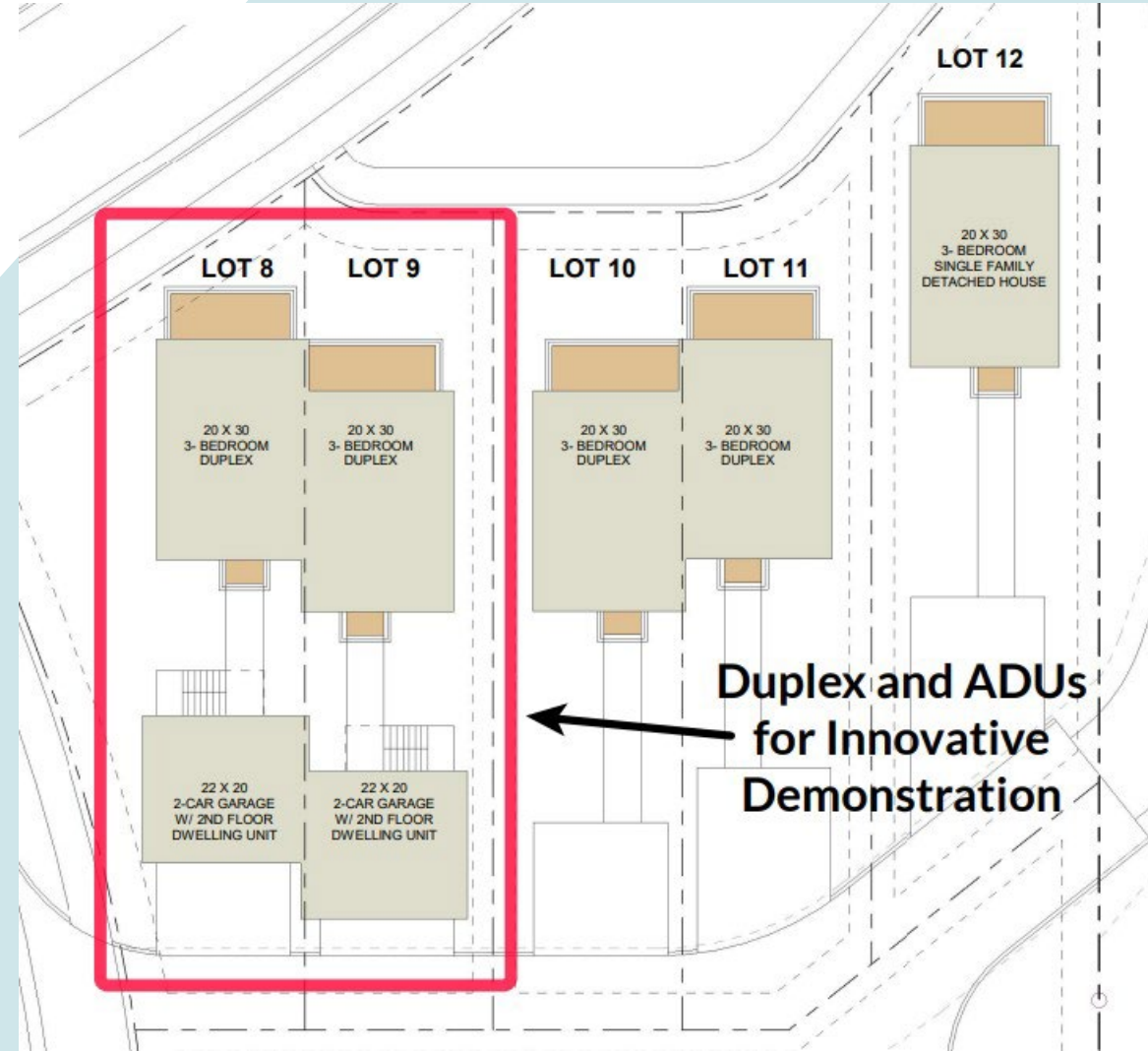
- Single Family Detached Home built with Panelized Construction
- 2 Accessory Dwelling Units built using Panelization
- Warehouse space for panel assembly and material storage
- Amended Zoning Classification in Albemarle County to allow ADUs to serve multiple purposes



**Habitat**  
**for Humanity**<sup>®</sup>  
**of Greater Charlottesville**  
Charlottesville | Albemarle | Greene | Louisa



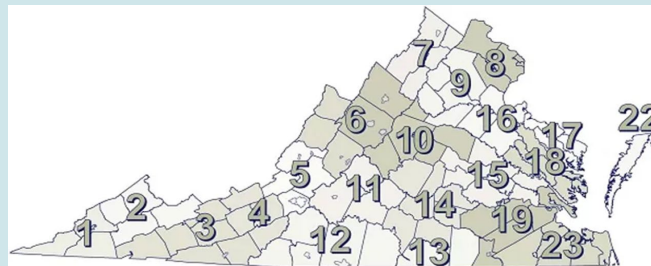
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**Duplex and ADUs  
for Innovative  
Demonstration**

# PDC Housing Development Grant

- Objectives:
  - Involve the 23 Planning District Commissions in meeting regional housing needs
  - Produce new affordable units in all regions
- \$40 million in FY22 REACH funds in grants of \$1M, \$2M, or \$3M, based on population level
- Produce at least 10 affordable rental or homeownership units per \$1M allocated by mid-2024; 1,200 new units assisted
- Most PDCs chose to issue RFPs for partners



# PDC Project Examples

- Thomas Jefferson PDC—5 partners
  - Habitat of Greater Charlottesville: \$520K for 28 units in Charlottesville, Albemarle, Louisa, Greene
- Central Shenandoah PDC—7 partners
  - South River Development Corp.: \$150K for 2 units added to Fairfax Hall in Waynesboro





# Public Housing Revitalization Grant

- Objectives
  - Facilitate and accelerate efforts to transform, rehabilitate, or improve Virginia's public housing stock
  - Match each public housing authority's annual HUD capital fund grant allocation
- \$46 million in FY22 REACH funds to the 25 housing authorities with public housing portfolios
- Funds can be used to:
  - Fill gaps in existing transformation projects
  - Aid in planning and financing new transformation projects
  - Make capital improvements to extend useful life of units
  - All 25 PHAs received awards; 38 projects; 4,000+ units assisted

# Charlottesville RHA: South 1<sup>st</sup> St. Phase 2

- Resident-led redevelopment plan
- Replace 58 townhouse units with 113 townhouse and garden apartments. \$31M project, \$1.686M VH grants
- Units with 1 to 5 bedrooms
- 58 of replacement units with Sec. 8 or Sec. 9 rent subsidy




Phase 2

Phase 1



# Planning for Density and Diversity

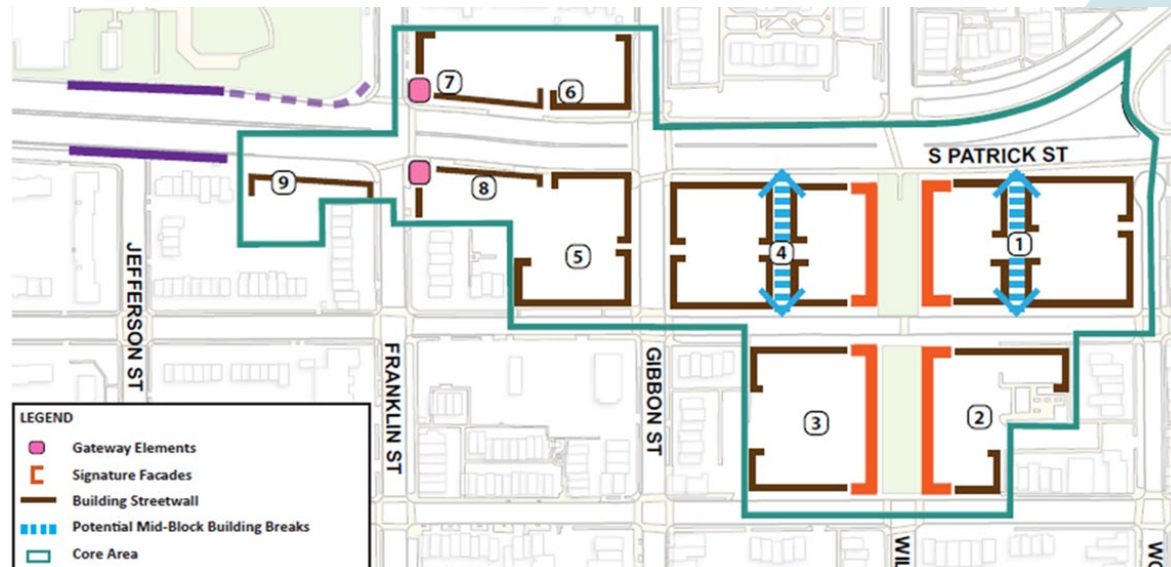
- Alexandria—proactive small area planning to guide redevelopment
- Declining affordability
- Rising demand leading to renovation/redevelopment and repositioning of existing market affordable units
- Cannot rely solely on subsidies to meet needs
- Part of the solution: increase density to facilitate preservation and production of affordable units
- Sound familiar?



*Community Impact Grants*

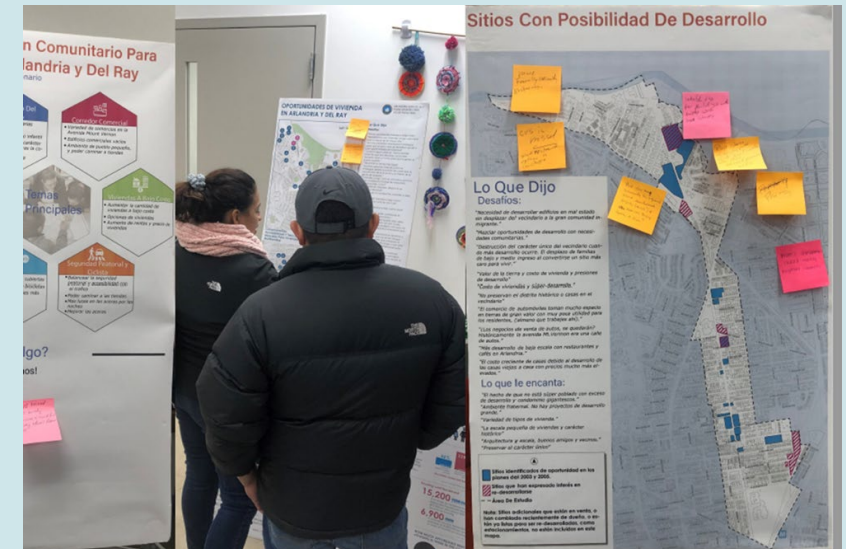
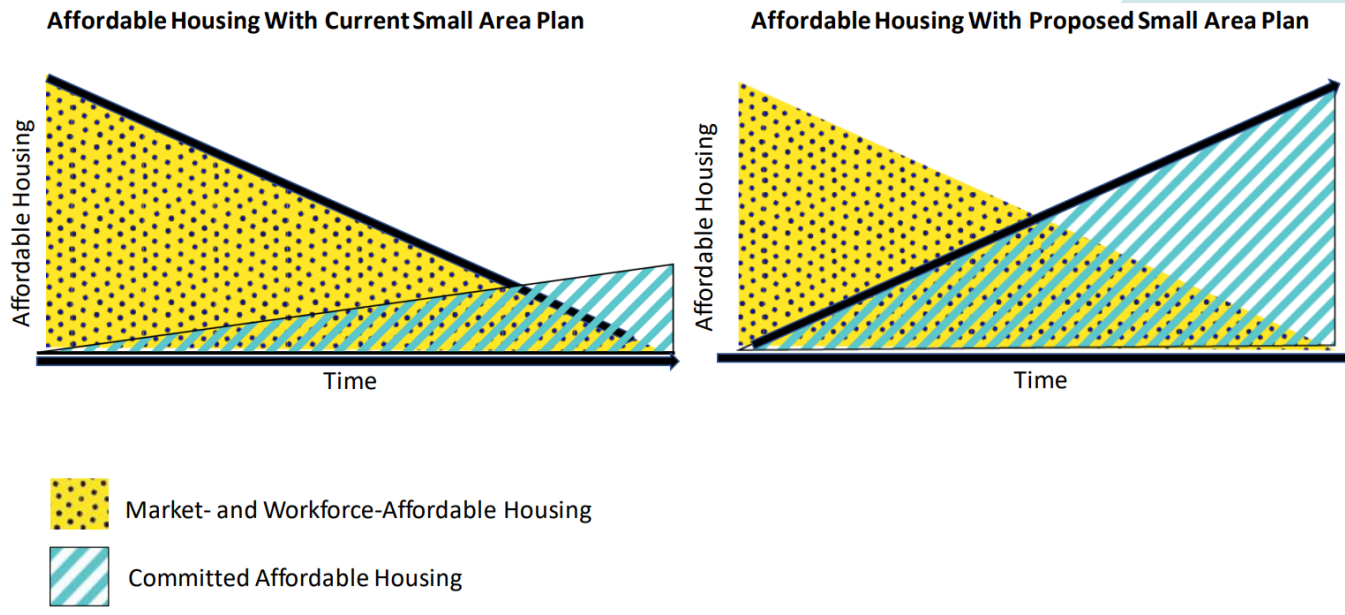
# S. Patrick Street Affordability Strategy

- 215 committed affordable units at risk of loss upon impending expiration of HAP contracts
- Excellent location; largely minority residents
- Increased planned FAR to incentivize redevelopment while preserving affordable units; ULI award winner



# Arlandria/Chirilagua Small Area Plan

- Relatively affordable corridor, large Hispanic population
- Redevelopment and rent pressure from Amazon HQ
- Building height bonuses with affordable housing commitments (40-50% AMI), connectivity plan, retail



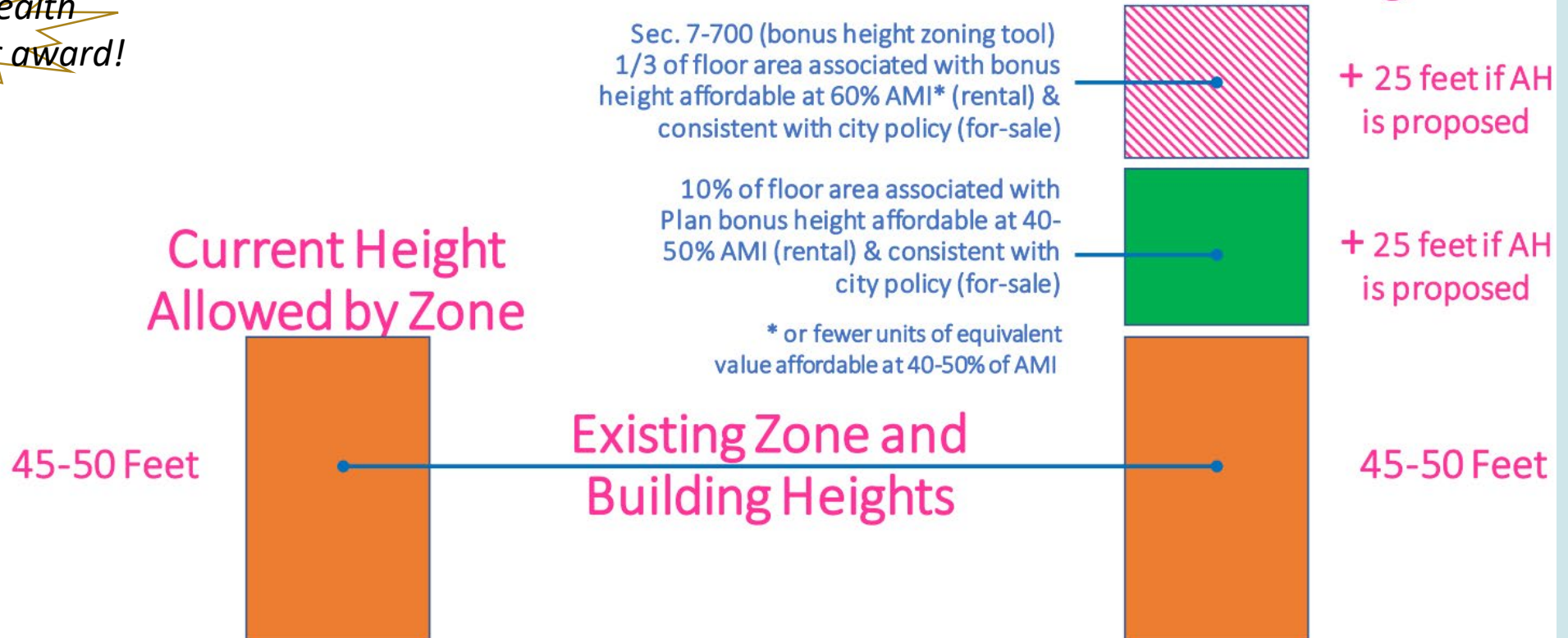
# Arlandria/Chirilagua Small Area Plan

## Applying Plan Bonus Height & Section 7-700

Example scenario for the RB, RA, CG, and CSL Zones

Proposed Height Maximum  
with the provision of  
affordable housing

*APA Commonwealth  
Plan of the Year award!*





# Thank You

[Matthew.Bolster@virginiahousing.com](mailto:Matthew.Bolster@virginiahousing.com)

[Luke.Tate@virginiahousing.com](mailto:Luke.Tate@virginiahousing.com)