



# Department of Community Planning Housing & Development Housing Division

## Virginia Housing Trust Fund

### Description

The Virginia Housing Trust Fund (Fund) is administered through the Virginia Department of Housing and Community Development, along with the Virginia Housing Development Authority. The goals of the Fund are to provide loans that reduce the cost of rental and homeownership and to provide grants to reduce homelessness across the commonwealth.

At least 80 percent of the Fund's allocations must go towards projects that reduce the costs of affordable housing rental and ownership. Funds used for these activities are disbursed through two programs: the Affordable and Special Need Housing (ASNH) program and the Vibrant Community Initiative (VCI).

The housing development loans are awarded to developers that supply affordable housing that meet or match goals in line with gubernatorial initiatives or state housing policies. The loans are low-interest and have a maximum amount of \$800,000 through the ASNH program and up to a \$1 million through VCI. The provisions of the loan encourage developers to use outside funding sources, such as tax credits or other federal and local funding programs. Criteria used in awarding funding include, but are not limited to: the project's impact on state housing policy; affordability; financial sustainability; feasibility; and readiness. VCI combines several funding sources to finance projects that address economic and/or community development and affordable housing needs. All funded projects must include housing elements in its plans.

Up to 20 percent of the Fund may be used to provide grants that target homelessness reduction. Grant funds can be used for rental assistance not to exceed one year, housing stabilization services, and predevelopment assistance for permanent supportive housing projects. Eligible projects are chosen through a competitive process and grants are capped at \$100,000. Criteria used in awarding funding include, but are not limited to: the project's impact on state housing policy; sustainability; impact on homelessness reduction; and feasibility.

For all purposes described, the Fund can disburse loans and grants to several types of organizations. Specifically, local housing and redevelopment authorities, regional or statewide organizations that provide affordable housing and homeless assistance, and affordable housing developers are eligible to apply for funding.

### Potential Applicability in Arlington

Provides another source of funding for development of affordable housing in Arlington, which may reduce the need for Arlington County assistance.

### Contact Information

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<http://www.dhcd.virginia.gov/index.php/virginia-housing-trust-fund-plan.html>