



State Housing and Community Development Finance Tools



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Today's Agenda

- I. Welcome from Alex Dadok
- II. Existing programs: trends, cross sections, case studies
 - I. Project Finance
 - II. Direct Assistance
 - III. Inducements
 - IV. Community Development
- III. Perspective from West Virginia:
 - I. Dave Clark, Woodlands Development Group
- IV. How do we get there from here?



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Project Finance

Trends

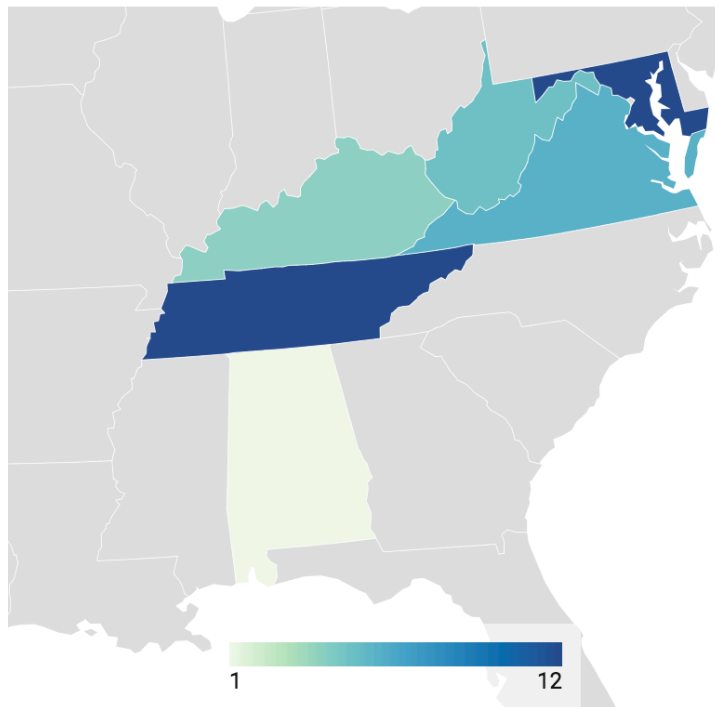
- The plurality of these programs fund new construction, rehabs, acquisition, or preservation.
- VA and TN have strong presences in repair and renovation.
- Some programs are funded through multiple sources, like KY's recovery housing program funded through grants, tax credits, donations.



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Project Finance

Number of Project Finance Programs





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Project Finance

Cross-section of programs:

Program Type	Finance tools
Acquisition, Construction, Rehabilitation	Bonds (TN, VA, AL) Grants (TN, MD) Housing Trust Fund (All but AL) Loans (TN, MD, KY, WV)
Energy efficiency upgrades	Cap & Trade Proceeds (VA) Grants (MD)
Capacity building	Grants (TN, KY)
Strategic Demolition	Grants (MD)
Repairs and Renovations	Grant (VA, TN) Low interest loans (VA, TN)



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Direct Assistance

Trends

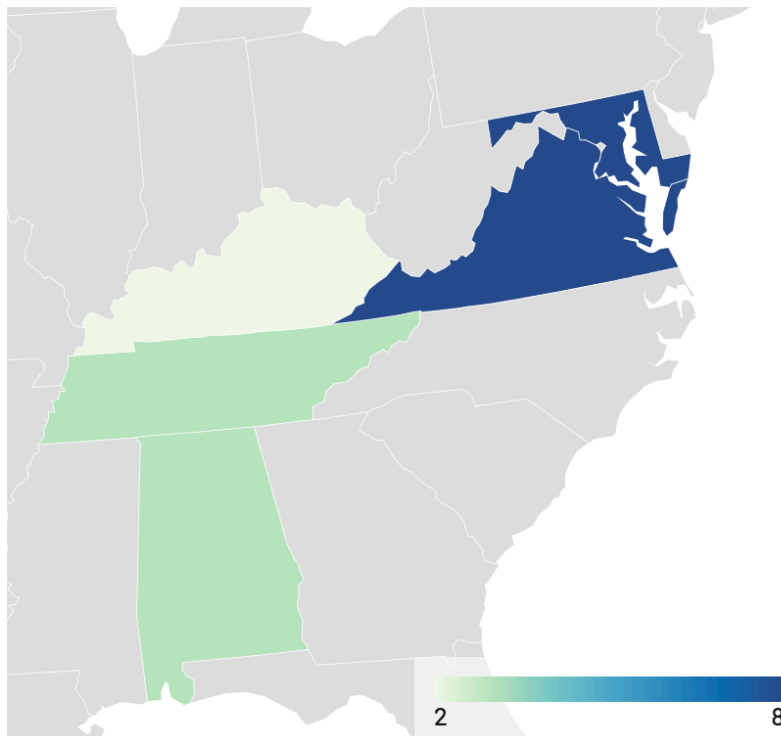
- Over 15 programs are designed to help homeowners secure their mortgages. Mortgage Assistance is prevalent in Virginia and Maryland.
- Mortgage assistance can feature down payment assistance, closing cost assistance, a low interest loan, or a combination of the three
- MD and TN feature two rental assistance programs each. Virginia's state rental assistance is homeless-specific.



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Direct Assistance

Number of Direct Assistance Programs





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Direct Assistance

Cross-section of programs:

Project Type	Finance tools
Down payment assistance	<ul style="list-style-type: none">• Grants (VA, AL)• Low-interest deferred loans or second mortgages (MD, VA)• Grant loan mix (VA, MD)• Matched funding (VA)
Rental Assistance	<ul style="list-style-type: none">• Grant (MD, TN, VA)
Closing cost assistance	<ul style="list-style-type: none">• Grants (AL, VA)• Grant-loan Mix (MD, TN)



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Inducements

Trends

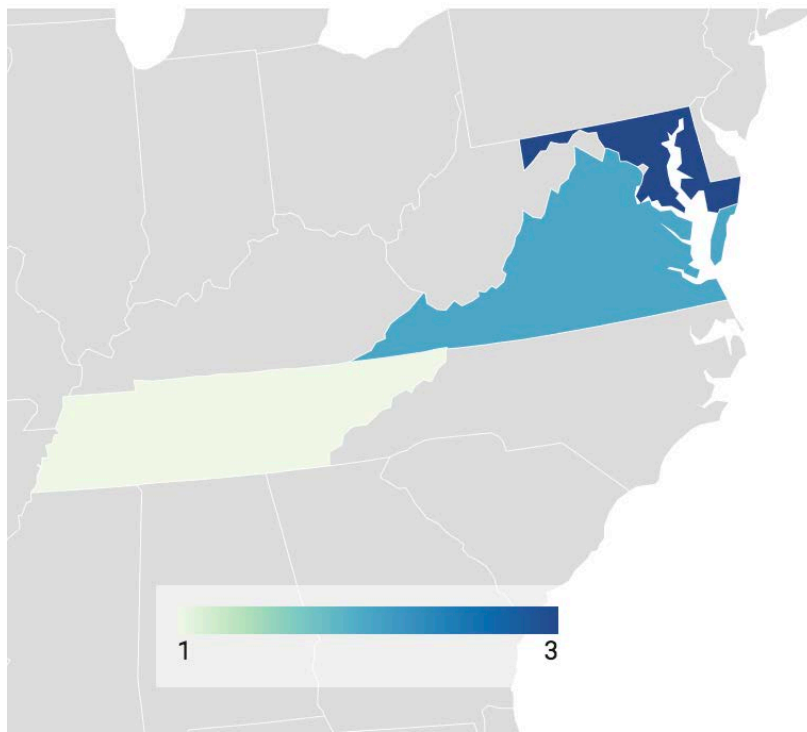
- Maryland, Virginia, and Tennessee all incentivize investment in affordable housing via tax credits.
- Specific purposes of the tax credits vary, from decentralizing poverty to retrofitting units, to preserving affordability, to crediting accessibility renovations, to incentivizing homeownership.
- Credits range in amount, from \$750 to \$5,000.



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Inducements

Number of Tax Credits





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Inducements

Case Study: Community Investment Tax Credit (TN)

- **What:** A mechanism to create or preserve affordable housing for low-income individuals <80% AMI in Tennessee.
- **How:** Financial institutions earn a credit of either 3%, 5%, or 10% when they give qualified loans, investments, or grants to eligible housing entities.
- **Who:** The Tennessee Department of Revenue administers the program and awards credits. The Tennessee Housing Development Authority certifies the housing entity and activities.



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Community Development

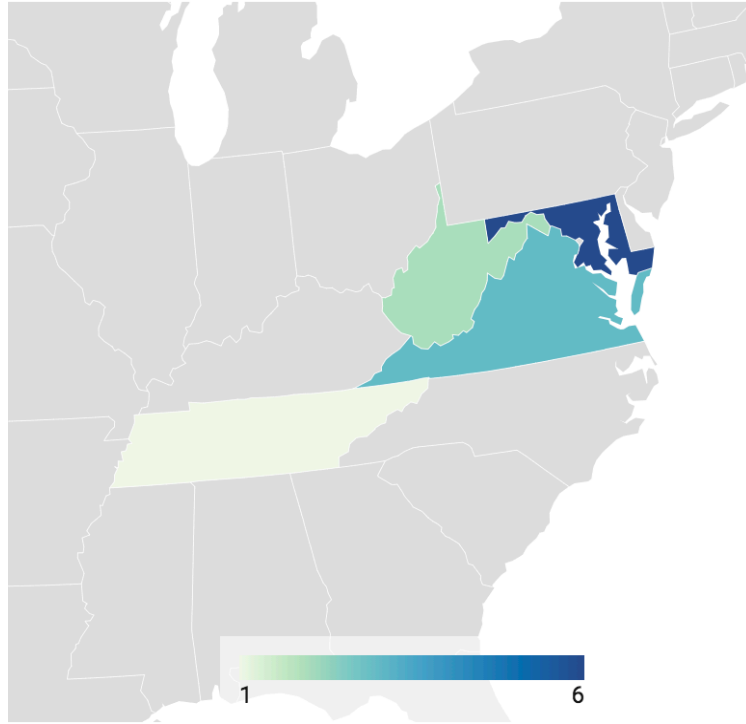
Trends

- Grants are the most common mechanisms for state finance of community development. Some programs increase grant size for counties defined by the Appalachian Regional Commission as “at risk” or “distressed.”
- Purposes of the grant programs vary from ameliorating blight, to extending broadband services, to supporting public infrastructure projects.
- May involve public-private partnerships.



Community Development

A map of the Eastern United States showing the number of states with a significant increase in the number of people aged 65 and older. The map uses a color scale from 1 (light yellow) to 6 (dark blue). Tennessee is colored light yellow (1), West Virginia is light green (2), Maryland is dark blue (6), and Delaware is dark blue (6). Other states are gray.





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Community Development

Case Study: Seed Community Development Anchor Institution Fund (MD)

- **What:** Funds acquisition and rehabilitation of vacant homes, home repairs and upgrades, weatherization and energy retrofits development of mixed-use projects that may combine housing, retail and office space; strategic demolition
- **How:** Competitive grants and loans to anchor institutions (institutions of higher ed, hospitals) for community development projects in blighted areas of the state.
- **Who:** Dept. of Housing and Community Development administers the Fund.



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Perspective from West Virginia

Dave Clark

Executive Director
Woodlands Development Group
Elkins, WV

Fahe West Virginia Caucus Chair



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How do we get there?

These programs have not always existed — they were created by people like you!

- KY Affordable Housing Trust Fund
- AL Affordable Housing Trust Fund
- VA State LIHTC
- WV Community Development Finance program

What other barriers to your work could be solved with a state product?



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Questions & Discussion

Thank you!

Reach out!

Email Alex Dadok, adadok@fahe.org

Josh Stewart, jstewart@fahe.org

or Claire Silberman, csilberman@fahe.org

...or, bring it to a Caucus meeting!