

Virginia Workforce Housing Investment Program FAQs (updated 12/18/2024)



SECTION 1: General Eligibility/Applications/Scoring

For the locality match, what is the percentage of project cost and how does that work?

The maximum award plus local match will not exceed 20% of the total development cost. For example, if a project is located in a non distressed locality which requires a 1:1 match and has a \$10M total development cost, Virginia Housing would award up to \$1M in rate subsidy if the locality matched up to \$1M, totaling 20% or \$2M out of the \$10M development cost. .

If a project straddles localities, how does eligibility work?

If a job announcement occurs in Locality A and the new housing units will be in Locality B, the job number requirements must meet the minimum number based on distress level of Locality A. The local match requirement and award type would need to meet the requirements of Locality B, where the housing units are located.

Will the locality still be eligible for funding from the Workforce Housing Investment Program even if the company does not fulfill their job commitment?

Yes- this program is a way for communities to increase their housing inventory and will not be tied to requirement set by other state or local incentives regarding job commitments or capital investment.

If a parcel of undeveloped property is owned by a nonprofit organization can funds be used to develop housing in a double distressed area?

Property ownership does not impact the eligibility of the award or the requirements for job numbers, match requirement or award types.

How are distress levels defined and where can I look up this information?

Distress levels are based on unemployment and poverty rates of a locality compared to the state average. If a locality has unemployment and poverty rates that are both higher than the statewide average, that would be considered double distressed. The Distress Level index is located here <https://vedp.org/incentive/commonwealths-development-opportunity-fund-cof>

Where can I find the application and learn about other funding opportunities through Virginia Housing?

www.VHDAgrants.com

Is the 30-minute drive of new job announcement a concrete requirement, or is that flexible based on the project?

The thirty minute drive time is a set requirement. We will look to the applicants to provide the necessary proof of meeting this requirement through their preferred method.

Will other DHCD funds (ie ASNH) be eligible for these projects.

Please refer to the requirements of those programs for more details. Layering other sources is encouraged as long as the income requirements are met for all applicable sources.

Can the employer contribution serve as the local match?

Employer contribution will not be counted towards the local match but can help an application be scored higher.

What is the timeframe for eligible Job announcements?

Job announcement must be made from July 1, 2023 to December 31, 2024

Does the quality of the jobs being developed have an impact on the application? i.e. do the proposed jobs have a salary minimum or maximum?

There is no salary minimum or maximum for eligible job announcements. This program aims to bring more housing for communities as a whole, not just for a specific employer.

Do you consider the value of land a match if the land is donated?

Yes. The local match can be in the form of a variety of things including land donation.

Applicants would want to have a new housing development that is already 'in the works' and planned to be built within the next two years before applying, is that correct? In other words, this grant opportunity would not be the impetus to go out and find a developer and make them interested in developing new housing?

Correct- projects that are still in the early predevelopment phases are encouraged to explore other Virginia Housing resources and prepare an application for future rounds of funding as available.

If an employer has made several job announcements during the qualified time period that in total meet the minimum job requirement, would that be acceptable for eligibility or does it have to come from one announcement?

Multiple announcements from one employer during the eligibility time period will be accepted. These must be new jobs and not filling vacant positions.

Will VH provide a list of economic development/job announcement projects that may be outside of a locality's boundaries but within a 30-minute drive?

On the website for this program there is a map of recent job announcements that meet qualifications. You are encouraged to engage with your local and regional economic development partners to confirm eligible project announcements. A reminder that a job announcement does not have to receive state level incentives to be eligible for this program. (Hospitality, education, healthcare and other employment announcements are qualifying events)

Will Virginia Housing contact an applicant for clarification if an answer is unclear BEFORE they are scored?

No, Virginia Housing will not contact applicants for clarification if an answer is unclear or incomplete prior to scoring. As this is a competitive application process, all information must be clear, complete, and accurate at the time of submission.

SECTION 2 Rental Projects

Is using Virginia Housing for permanent financing a requirement?

Rental development projects will be required to use Virginia Housing financing. Receiving an award through the Workforce Housing Investment Program does not guarantee permanent financing. All Virginia Housing lending requirements must be fulfilled.

Would repurposing a building for housing (example: turning an abandoned school into housing) count as “New” housing, or does it have to be completely new construction?

Adaptive Reuse that converts a school building or other real estate into new housing units is eligible. Renovation of existing housing units is not eligible.

Can these funds be used to acquire property?

Funds received through this program could be used to fund part of acquisition at the time of closing as part of the other financing, depending on all funding sources and final loan terms.

Are mixed use projects eligible for funding?

Yes- mixed use developments are eligible. A minimum of 20% of the units must be leased to residents making 80% or less of the Area Median Income, at least 10% of the units must be unrestricted and open to market rents, and a majority of the costs, income and square footage of the project must come from residential uses. Mixed use developments are also required to be in a Qualified Census Tract or a locally designated revitalization area. Please reach out for more details on this requirement.

> Where can I look up if my project falls in a Qualified Census Tract (QCT)?

https://www.huduser.gov/portal/sadda/sadda_qct.html

If a project was in a QCT in 2024 but not in 2025, would this be eligible?

A project must be in a current QCT at the time of funding application. If a mixed-use project is located outside of a QCT, the local government can pass a resolution declaring the project in a designated revitalization zone to meet eligibility for Virginia Housing funding. Please reach out for more specifics on this process and requirements. The QCT designation will correspond with the year in which the application is submitted, not the job announcement.

Can you layer this program funding with Low Income Housing Tax Credits?

This program is not eligible to pair with LIHTC.

What level of financing commitment is VH looking for at the time of application?

Applicants should have a full budget and list of sources and uses at the time of application and can include the award they are applying for in that budget.

For rental housing projects, are there maximum rents that VHDA will require owners to adhere to?

There are no maximum rent requirements. Program restrictions only relate to resident income levels.

What if the project doesn't underwrite to lending standards but meets grant requirements?

We encourage all applicants to review Virginia Housing lending requirement prior to submitting an application and working with a Virginia Housing approved broker. In the event that a recipient of Workforce Housing Investment Program funds does not obtain permanent financing from Virginia Housing, that award amount will be rolled forward into the next round and made available to eligible applicants.

Will funds be available during construction phase or post construction?

Rental projects receiving award from Virginia Housing will be eligible to draw funds during construction per the terms of the loan. Grantees for homeownership projects will be able to request reimbursement quarterly as funds are applied to the construction of the homes.

SECTION 3 Homeownership Projects

Are borrowers required to use Virginia Housing Financing once units are complete?

Homeownership projects are encouraged to have buyers use Virginia Housing lending but this will not be required.

Does having rental and ownership in the same project help or get extra points?

There are not currently plans to provide a scoring bonus for different types of new units. If applying for a project with both, your application will need to target either the rental or the homeownership units.

How will funds for homeownership units get to the project?

Virginia Housing will contract with the applicant on successful homeownership requests. Award recipients will work with a Virginia Housing Grant Officer to manage the grant and invest the funds into the units. Grant funds may be used at any time during the construction of the home; however, the unit is not complete until purchased by an eligible buyer.

Does the Homeownership grant support community ownership models such as land trust?

Established Community ownership models such as land trusts would be eligible opportunities if the other requirements are met. Funds cannot be used to create new programs.