

HB854 Statewide Housing Study

Program Fact Sheet

Predevelopment Loan Program

Virginia Housing

Note: This fact sheet was created in October 2021. Program details can change regularly. For the most up-to-date information on this program and a program contact, please visit the link below: [Link to program website](#)

01 Program goals

The Predevelopment Loan Fund supports Rental Projects that address one of the following issues: (1) housing for disabled households; (2) homelessness; and (3) revitalization.

02 Funding sources

This program is funded by Virginia Housing with REACH funds, which receive a set-aside of Virginia Housing's net revenues.

03 Governance

A pre-application is required of those seeking a predevelopment loan. A designated Strategic Housing Officer will review the pre-application and ensure all required elements are included. Once submitted, the application is reviewed by Virginia Housing's Community Revitalization Work Group. If approval is recommended, the project is taken to Virginia Housing's Grant Committee for review. If approved, the package is reviewed by representatives from the Rental and Legal divisions of Virginia Housing, and the loan documents are prepared.

04 Population served

The Predevelopment Loan Program serves non-profit and for-profit developers, as well as quasi-governmental agencies, such as Redevelopment and Housing Authorities. The ultimate beneficiaries of the program are the low-income, very-low income households, and extremely low-income households, specifically those who are formerly homeless, persons with disabilities, seniors, and ex-offenders, who reside in the completed rental housing developments.

05 How program works

The Predevelopment Loan program facilitates the development of high quality affordable rental housing by providing technical assistance and below-market financing for typical predevelopment expenses. Such assistance addresses the general lack of resources for deeply income-targeted housing opportunities which incorporate services to address the needs of persons with disabilities, frail seniors, the homeless and ex-offenders. This program also assists proposed developments which address the housing needs of low-income, very-low income households, and extremely low-income households in a mixed-income environment through the adaptive re-use of existing structures, affordable housing preservation or development on a new site.

06 Program history

[not provided]

07 Program highlights

- During the span of 2016-2020, the largest amount and number of loans issued by the Predevelopment Loan program occurred in fiscal year 2017 with twelve loans in the amount of \$912,184.00. This outlier may be reflective of the complexity of the predevelopment loan process which highlights an opportunity for creating a more efficient lending process.

- The majority of Predevelopment Loan awards and grants are allocated for projects in the Northern Tier, Charlottesville Central Valley and Greater Richmond regions.