

# APPENDIX 6: FUNDING SOURCES MATRIX

FUND NAME	FUND SOURCE	FUND DESCRIPTION	LIMITATIONS
<b>FEDERAL SOURCES</b>			
Assisted Living Conversion Program (ALCP)	HUD	Program provides private nonprofit owners of Section 8 project based housing developments and other housing programs not applicable in Alexandria that are designated primarily for occupancy by the elderly for at least five years are eligible for funding with a grant to convert some or all of the dwelling units in the project into an Assisted Living Facility (ALF) for the frail elderly. The facility must be licensed and regulated by the State (or if there is no State law providing such licensing and regulation, by the municipality or other subdivision in which the facility is located).	Funding is limited. Applicants must submit an application for funding, in response to the Notice of Funding Availability (NOFA) published in the Federal Register each fiscal year.
Community Development Block Grant (CDBG)	HUD	Annual Federal Grants provided on a formula basis to entitlement communities (including Alexandria). Funds can be used for a variety of housing (excluding new construction) and community development purposes.	Limited funds available based on Congressional budget levels. Strict income targeting requirements. Cannot be used for new housing construction or income payments (e.g. rent subsidies). Activities causing displacement trigger costly Uniform Relocation Act payments. Reduction in units (e.g. rehab rehabilitation that combines units) requires a one-for-one replacement of lost units. Davis-Bacon wage rates required for 12 or more units.
Energy Efficiency and Conservation Block Grants (EECBG)	DOE	The purpose of the EECBG Program is to assist eligible entities in creating and implementing strategies to: reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximizes benefits for local and regional communities; reduce the total energy use of the eligible entities; and improve energy efficiency in the building sector, the transportation sector, and other appropriate sectors. The City of Alexandria has used a portion of the City allocations for housing energy efficiency improvements.	Limited funds available based on Congressional budget levels.
Green Retrofit Program for Multifamily Housing	HUD	Grants and loans will be made available through HUD's Office of Affordable Housing Preservation (OAHP) for eligible property owners to make green retrofit investments in the property to ensure the maintenance and preservation of the property.	All eligible owners submitting complete applications are accepted on a first-come, first-served basis subject to certain limitations by category.
HOME Investment Partnerships Program (HOME)	HUD	A HUD grant to States and designated localities (including Alexandria) by formula in order to provide decent and affordable housing for low- and very low-income households. It is the largest Federal block grant to the State and local governments designed exclusively to create affordable housing for low-income families.	Limited funds available based on Congressional budget levels. Strict income targeting requirements. Activities causing displacement triggers costly Uniform Relocation Act payments. Davis-Bacon wage rates required. May not be used to assist public housing projects.

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Low Income Housing Tax Credits	Dept. of Treasury	Developers who receive awards of low income housing tax credits ("LIHTCs") which in VA, are administered by the state housing finance agency, VHDA) sell the credits to private investors who need the credits to offset tax liabilities. The funds generated by sale of the credits are used to develop or preserve affordable housing for income eligible residents. The minimum compliance period (when rents are restricted to be affordable to households with incomes at or below at least 60% AMI) is 15 years. LIHTCs come in two forms: 9% and 4%. The 9% credits, which are awarded competitively to new or substantial renovation project are calculated so that the annual credits over ten years equal approximately 70% of eligible building costs. The 4% credits, which are available on a noncompetitive basis for substantial renovation projects, equal 30% of the eligible building costs incurred, resulting in a lower equity yield to the developer.	Acquisition costs may to be eligible for credits under certain circumstances, including ownership changes within 10 years. Should a project not comply with all federal regulations under the tax code, credits may be recaptured. Volatility in the national credit markets impacts the sale and pricing of tax credits.
New Markets Tax Credit (NMTC)	Dept. of Treasury	The goal of this program is to spur revitalization efforts of low-income and impoverished communities across the United States and Territories. The NMTC Program provides tax credit incentives to investors for equity investments in certified Community Development Entities, which invest in low-income communities.	Limited to qualifying census tracts. An organization wishing to receive awards under the NMTC Program must be certified as a CDE by the Fund.
Section 108 Loans	HUD	Section 108 is the loan guarantee provision of the CDBG program which provides communities with a source of financing for economic development, housing construction and rehabilitation, public facilities, and large-scale physical development projects.	Limited funds available based on Congressional budget levels. Local governments may finance up to five times their annual allocation of CDBG funds into federally guaranteed loans to pursue physical and economic revitalization projects that can renew entire neighborhoods. Local governments borrowing funds guaranteed by Section 108 must pledge their current and future CDBG allocations to cover the loan amount as security for the loan. The maximum repayment period under the Section 108 program is 20 years.
Section 202 Supportive Housing for the Elderly Program	HUD	The Program provides interest-free capital advances to finance the construction, rehabilitation or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years. Project rental assistance funds are provided to cover the difference between the HUD-approved operating cost for the project and the tenants' contribution towards rent. Project rental assistance contracts are approved initially for 3 years and are renewable based on the availability of funds.	Funding is limited. The available program funds for a fiscal year are allocated to HUD's local offices according to factors established by the Department. Private nonprofit organizations can apply to develop a Section 202 project if they can, among other requirements, submit a resolution that they will provide a minimum capital investment equal to 0.5 percent of the HUD-approved capital advance, up to a maximum of \$25,000 for national sponsors or \$10,000 for other sponsors. Public entities are not eligible for funding under this program.

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Sustainable Communities Regional Planning Grant Program HUD-DOT Community Challenge Grant	HUD, DOT, EPA	<p>The Sustainable Communities Regional Planning Grant Program supports metropolitan and multijurisdictional planning efforts that integrate housing, land use, economic and workforce development, transportation, and infrastructure investments in a manner that empowers jurisdictions to consider the interdependent challenges of: (1) economic competitiveness and revitalization; (2) social equity, inclusion, and access to opportunity; (3) energy use and climate change; and (4) public health and environmental impact.</p> <p>The HUD-DOT Community Challenge competitive grant program fosters reform and reduces barriers to achieving affordable, economically vital, and sustainable communities. Such efforts may include amending or replacing local master plans, zoning codes, and building codes, either on a jurisdiction-wide basis or in a specific neighborhood, district, corridor, or sector to promote mixed-use development, affordable housing, the reuse of older buildings and structures for new purposes, and similar activities with the goal of promoting sustainability at the local or neighborhood level. This Program also supports the development of affordable housing through the development and adoption of inclusionary zoning ordinances and other activities to support planning implementation.</p>	Both programs are being initiated in close coordination with the U.S. Department of Transportation (DOT) and the U.S. Environmental Protection Agency (EPA), co-leaders with HUD in the Partnership for Sustainable Communities. The wide range of eligible projects makes this program a very competitive process.
The National Housing Trust Fund (NHTF)	HUD	The intent of this never-funded affordable housing production program is to complement existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families.	The NHTF was created in 2012 but to date has not been funded.
<b>STATE SOURCES</b>			
Affordable Housing and Special Needs (Commonwealth Fund)	DHCD	Virginia Department of Housing and Community Development will provide up to \$500,000 in equity for below market rate loans and deferred loans for rental projects targeted to persons with special needs.	
Historic Rehabilitation Tax Credit	DHR	The State Department of Historic Resources allocates federal and state credits for designated historic buildings. Renovations must follow Department of Interior guidelines or local standards.	
Resources Enabling Affordable Community Housing in Virginia (REACH)	VHDA	Provides nontraditional assistance for both rental and homeownership opportunities. VHDA offers this assistance as an amortized or deferred loan.	Program focus is being re-evaluated due to funding constraints.

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Sponsoring Partnerships and Revitalizing Communities (SPARC)	VHDA	An uninsured loan product designed to facilitate the construction or acquisition and/or rehabilitation of multifamily rental housing. This program provides low-interest rate financing to rental projects that address Virginia's most critical housing needs and meets the programs specific eligibility requirements. Multifamily SPARC targets affordable rental housing for the homeless, people with disabilities, and for preservation, revitalization projects, including mixed use and mixed income projects. The SPARC rental program is funded by REACH Virginia subsidy funds. This funding provides low, fixed rate, long-term permanent financing for rental housing.	Limited funds available based budget levels.
State Housing Trust Fund	State	The Housing Trust Fund was enacted into law in 2012. Guidelines for the use of the Trust Fund are still in development.	Received \$7 million of initial funding statewide in FY2014 (second year of biennial budget). Amount available to any individual locality will be limited. Plan for distribution is under development; Alexandria's ability to access these funds is not yet known.
PRIVATE SOURCES			
Enterprise Community Partners, Inc. – The Rouse Companies		Provides a variety of predevelopment funding, green grants, and loans for affordable housing projects and community development projects.	
Federal Home Loan Bank Affordable Housing Program (AHP)		AHP awards provide direct subsidies or subsidized loans for homeownership or rental initiatives. Funds are directed to the Bank's regional member institutions, which work in partnership with affordable housing providers. AHP funds may be used for homeownership and rental housing, as well as special needs housing such as single-room occupancy (SRO) units for the homeless, transitional housing, supportive housing, and for units specially equipped for the disabled and elderly.	Funding preferences change, and occasionally reflect special needs such as rebuilding efforts in the US Gulf Coast area, following Hurricane Katarina. Funding applications from high cost areas have difficulty meeting cost efficiency parameters.
The Home Depot Foundation		Through the Affordable Housing Built Responsibly grant program, The Home Depot Foundation administers millions of dollars in grants each year to nonprofit organizations whose missions align with the Foundation's interests in supporting the production and preservation of affordable, efficient and healthy housing.	Funding is competitive.
Green Preservation of Affordable Transit-Oriented Housing (Green PATH) Initiative		The National Housing Trust - Enterprise Preservation Corporation (NHT Enterprise) and Enterprise Community Partners are seeking \$6-8 million in funding to support Phase I of this DC region initiative. The intent is to acquire and preserve affordable apartments near transit with a focus on neighborhoods that are at risk of maintaining affordability.	Regional funding goal is limited.
The MacArthur Foundation, Window of Opportunity: Preserving Affordable Rental Housing Initiative		The Window of Opportunity housing preservation initiative focuses on stable, affordable housing with a special emphasis on rental housing. In 2011, \$17.9 million dollars in grants was available for rental housing preservation.	Funding is highly competitive.

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Open Door Housing Fund	Private	Established in 2008 through the merger of the Washington Area Housing Trust Fund (WAHTF) and the Unitarian Universalist Affordable Housing Corporation (UUAHC), the Fund strives to create sustainable economically strong and diverse communities by providing low-interest loans to mission-oriented affordable housing developers. The Fund works to increase and preserve the Washington region's supply of affordable homes through loans, grants and equity investments to locally supported affordable housing developments. The Fund offers development financing for homeownership and rental housing for working families and special needs populations. Through the fund, OpenDoor also provides short-term loans to tenant associations, nonprofit and for profit local housing providers.	While planned to be a revolving fund, the Open Door Fund depends on new and continuing investments from a variety of sources including private donors and foundations, as well as local governments. These sources and levels of funding are not certain. In addition, the fund's ability to revolve is contingent on repayment of short term financing through permanent take out strategies and options. In the current fiscal environment competition for, and availability of, scarce resources may limit access.
Virginia Community Capital	Private	Virginia Community Capital (VCC) is a multi-million dollar nonprofit, community development financial institution (CDFI) and banking entity that was created to provide innovative loan and investment solutions for affordable housing and economic development projects in the Commonwealth of Virginia. VCC's mission is to offer innovative, flexible financial products designed to support housing and community development ventures, increase jobs and build sustainable communities. VCC offers loan capital that is broader than bank lending to projects that have a positive community impact in low- to moderate-income communities in underserved geographies and markets. VCC has a special preservation loan product which provides up to \$4 million per project to bridge permanent financing.	Loans range from \$100,000 to \$10,000,000. Permanent loans renewed on a five year term.
<b>LOCAL SOURCES</b>			
Dedicated Tax Revenues	City	A portion of the real property tax rate (currently 0.6 cents) is dedicated for affordable housing uses. Roughly 80% of this is used to pay debt service on general obligation bonds previously issued for housing development/preservation activities. The remainder is available for other such activities until such time as it may be needed for debt service on future bonds.	The majority of these funds currently are used for debt service on previously issued general obligation bonds, and therefore are not available for new projects.
Housing Opportunities Fund	City	Fund includes allocations of City General Fund, HTF, and HOME funds. HOF is designed to provide a funding pool to support the development of affordable rental and sales housing in the City of Alexandria for low income households through acquisition and/rehabilitation, or construction including predevelopment assistance. HOF monies are also used for operating support for the Alexandria Housing Development Corporation (AHDC).	Funding available through the HOF is limited fiscal year allocations are dependent on the availability of funds in each funding source.

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Housing Trust Fund	Developers/ City	The City's Housing Trust Fund (HTF) consists of developer contributions and program income, and is used to support a variety of activities such as homeownership purchase and counseling programs (not funded in FY 2013), Rental Accessibility Modification Program (RAMP) mini-grants, annual allocation to the HOF, and other housing-related efforts (such as Rebuild Together Alexandria) based on funding applications.	Pledges are made at development approval but are not received until Certificate of Occupancy which can take from 2 to 5 years and recently even longer due to economic slowdown.
General Fund	City	Taxpayer funds allocated to numerous City departments which support affordable housing programs.	There are competing needs within the City for the use of these funds.
General Obligation Bonds	City	A form of municipal bond secured by the taxing and borrowing power of the municipality issuing it. The City may issue general obligation bonds for affordable housing purposes.	Bonding capacity is limited by the amount of debt service that can be supported by the revenues available from the dedicated real estate tax monies, as well as by the City's overall debt ceiling.
Loan Consortium (Proposed)	Various	A Loan Consortium is an independent entity that brings together lending industry and private investors to provide loans in conjunction with City investment for affordable housing.	The Housing Master Plan recommends the further review and creation of a loan consortium.
HUD- Department of Housing and Urban Development; DOE- Department of Energy; EAP- Environmental Protection Agency; VHDA- Virginia Housing Development Agency; DHR- Department of Historic Resources; DHCD- Department of Housing and Community Development			