



West Virginia Housing Development Fund **2018 ANNUAL REPORT**



NMLS#198038

50
YEARS
PROVIDING SAFE, AFFORDABLE
HOUSING FOR WEST VIRGINIANS



50 YEARS

**PROVIDING SAFE, AFFORDABLE
HOUSING FOR WEST VIRGINIANS**

Dear Reader,

Thank you for taking time to read The Fiscal Year 2018 Annual Report for The West Virginia Housing Development Fund.

This year, we celebrate 50 years of helping the residents of our state find safe, decent affordable housing. The Fund was created in 1968 by the State Legislature to help encourage homeownership and land development.

Since that time, we have had the honor of helping more than 72,000 West Virginians, both individuals and families, turn their dream of homeownership into a reality. To date, the Fund has issued more than \$4.4 billion in bonds and has financed more than 122,000 housing units. For this report, we have created a detailed timeline of our history that highlights some of the milestones we have achieved in the last half century. We invite you to read it and learn more about our organization's rich history.

As we reflect on 50 years of doing all we can to help West Virginia achieve and realize its amazing potential, it is vital to thank our partners across the housing spectrum. We work with banks, lenders, non-profit organizations, civic groups, builders and tradespeople, elected leaders and government organizations at the municipal, county, state and federal level. Our mission is the same - to make certain that West Virginians have access to safe, decent affordable housing.

The Fund continues to maintain Standard & Poor's "AAA" general obligation debt rating, the only state housing agency in the nation to achieve this rating. This distinction is a direct result of a devotion to making quality mortgage loans and customers' commitment to what is often their biggest investment. S&P, one of the country's most respected rating services, noted the extremely high credit quality of the Fund's asset base, its ability to meet its legislative mandate, the dedication of the talented management team and a smart investment philosophy.

In the following pages, you will learn about how our Low-Income Housing Tax Credit program, was used to help transform two old schools, one in Shinnston and one in Fairmont, into beautiful apartments for seniors. You will also meet a disabled veteran who now has a place to call home thanks to one of our newest programs.

Our Board of Directors and the Fund's staff continue to work diligently to provide West Virginians with safe, decent and affordable housing. Over the next 50 years, we hope to continue that mission and help our state chart a bold path toward the future.

Sincerely,

The Staff of the West Virginia Housing Development Fund



Veteran Has New Home Using Fund Program



HUNTINGTON – Barry Holland has a simple but profound way to describe his new home. *“This is just beautiful,”* he said. *“This is a beautiful thing.”*

Originally from Beckley, Holland grew up in Cleveland before joining the U.S. Army in 1975. He spent a decade working with, as he says, “bombs and guns.”

After leaving the army, he would eventually make his way to Huntington. He was staying at a local veteran’s home when he learned of Huntington W.V. Area Habitat for Humanity’s Veterans Housing Initiative.

He made a few calls, started the paperwork and now he has a home of his own. The tidy, one-story residence features a combined living, dining and kitchen area, a large bathroom and a spacious bedroom with a large, walk-in closet.

The Veterans Housing Initiative builds homes for U.S. veterans. The program fills a vital need for those who have served our country. According to the National Low-Income Housing Coalition, an estimated 2.5 million veteran-headed households are at least 55 years of age. Of those 2.5 million veterans, 24 percent have housing cost burdens. Unlike older civilians, older veterans are more likely to have a disability — 35 percent versus 28 percent — which may require home modifications, health and other supportive services as they age.

Holland, 62, walks with a limp. He said his home was designed in such a way that it allows him to get around more easily and he can place a ramp on the front steps to better maneuver his motorized wheelchair in and out of the front door.

Holland is also back in school. He’s pursuing a degree in information technology from Mountwest Community and Technical College. He even made the dean’s list last semester.

His home was funded, in part, through the Affordable Housing Fund, formerly known as the West Virginia Affordable Housing Trust Fund. The Affordable Housing Fund provides funding for both technical and housing assistance to non-profits and government entities and to encourage stronger partnerships, collaboration and greater involvement of local communities in meeting housing needs in the state.

The West Virginia Housing Development Fund began administering the program in June 2018. During the ribbon cutting, Holland was presented with a framed, knitted piece from the Tri-Area Needle Arts Guild and an American flag from Woodman Life.



David Michael, executive director of the Huntington W.V. Area Habitat for Humanity, presents the house keys to Barry Holland.

“This is a beautiful thing!”
Barry Holland



Recovery Point Has Given Me My Life Back!

Toni Pantoja



CHARLESTON - Toni Pantoja is honest about her past. Drugs. Crime. Time behind bars. Her mother murdered. An addiction that shut her off from her family. She recalls one cold night sitting on her grandmother's porch just to be near those she loved.

But that is her past. Today, she is working her way through the long-term recovery program at Recovery Point in Charleston and is one of the first residents of the newly-opened Recovery Point Apartments.

"They loved me when no one else did," Pantoja said of the team at Recovery Point. She came to the rehabilitation center after serving two years at Lakin Correctional Center, an all-female prison in Mason County. *"With my rap sheet, nobody else would have given me a chance. They had faith in me. They didn't treat me like I was a criminal."*

Pantoja will be one of many who live in Recovery Point Apartments. Located on the city's West Side, the 24 one-bedroom units are for women who have successfully completed Recovery Point's substance abuse recovery program. Recovery Point Apartments was funded, in part, through the West Virginia Housing Development Fund's Low-Income Housing Tax Credit Program.

"Those in recovery face many barriers once they leave the program."

Matt Boggs
Recovery Point's Executive Director

"Those in recovery face many barriers once they leave the program," said Matt Boggs, Recovery Point's Executive Director.

"Lack of employment opportunities, access to medical care and housing are issues for most when they re-enter society. Having a safe, decent place to call home is so important," Boggs said. *"These women can take ownership of their lives and empower themselves. That's something you can't put a price on."*

For the first time in a long time, Pantoja says she's excited about her future. She works as a peer mentor at Recovery Point and plans to volunteer with victims of domestic violence. She also sees her family every weekend.

"Recovery Point has given me my life back. Today I have dreams. Today I have goals. They have given me my family back," she said.

The Low-Income Housing Tax Credit Program generates low-income residential rental units by encouraging private investment through federal tax credits. Since its inception, LIHTCP has produced more than 15,000 affordable rental units in West Virginia.

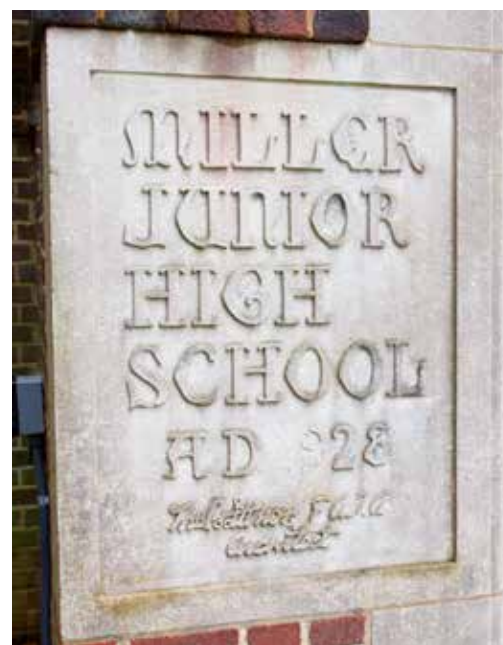
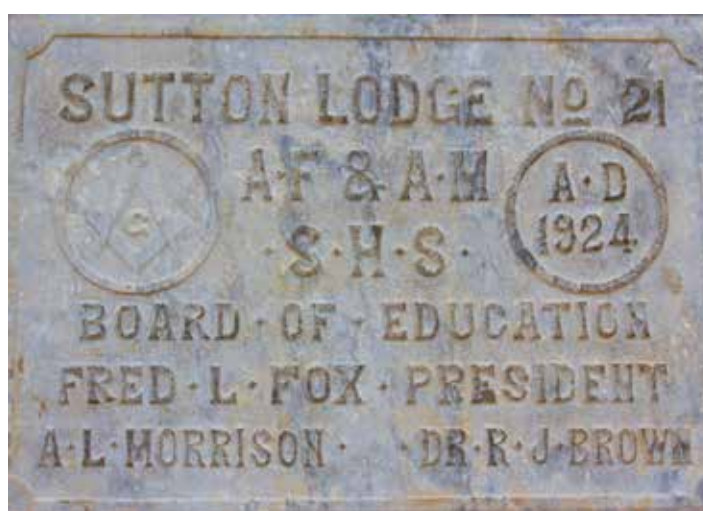




The West Virginia Housing Development Fund is committed to working with developers and our partners across the housing industry to make certain our state's elderly residents have a safe place to call home.

Our Low-Income Housing Tax Credit Program gives us a major tool to build new properties and redevelop older buildings.

This year, we celebrated the openings of two former schools that have been given new life. Both Sutton School in Sutton and Miller School in Fairmont had seen better days. Using the Fund's LIHTCP program, developers and groups in each community renovated the old schools and created gleaming new apartments for seniors.





The Low-Income Housing Tax Credit Program is a federal tax incentive program to encourage private equity investments, rather than 100 percent federal government financing, for the production of affordable low-income

residential rental housing. The LIHTCP provides a federal tax credit for a period of ten years to the owners of qualified low-income residential rental housing, based upon the achieved proportion of qualified low-income occupancy at rent-restricted rates. In order to be eligible for participation in the LIHTCP, a qualified low-income residential rental housing property must be occupied by individuals whose annual gross income is at or below 60 percent of the area median gross income. This year, 11 properties located in eight counties received Low-Income Housing Tax Credits, which will produce 182 new units and rehabilitate 242 existing units.



West Virginia's rural and remote nature sometimes means a lack of public infrastructure. To help our residents, the Fund has partnered with the West Virginia Department of Environmental Protection to

develop the On-Site System. The program, which was recognized by the Environmental Protection Agency as a model for improving water quality protection, is designed to help eligible households install, repair or replace on-site septic systems or connect to a public treatment system. This year, the On-Site program assisted 15 families and individuals, totaling \$127,260 in funding.



The primary objective of the HOME program is to expand the supply of decent, safe, sanitary and affordable housing, primarily rental housing; to strengthen the abilities

of state and local governments to provide housing; to ensure that federal housing services, financing, and other investments are provided to state and local governments in a coordinated, supportive fashion; to expand the capacity of nonprofit community-based housing development organizations; and to leverage private sector participation in financing affordable housing. This year the Fund is proud to announce we committed \$3,283,295 which represents 29 housing units.



The Low-Income Assisted Mortgage Program (LAMP) was developed in 1992 as a pilot program with Mountaineer Habitat for Humanity. The goal of the program was to enable those with very low incomes to become homeowners. The program was

later honored by Harvard University's Ash Center for Democratic Governance and Innovation. Because of LAMP's success, other Habitats across the state were invited to participate. The premise is simple – to enable non-profit housing groups to expand their abilities to provide homes for those who need them the most. The program allows participating non-profit housing providers to sell their loan to the Fund. By selling the loan, they can use money they would have otherwise tied up in mortgages to finance and maintain homes. This year, the Fund devoted \$878,340 to help families in need.



Our Movin' Up Program has been designed to help moderate-income homebuyers purchase a new residence. Movin' Up does not have a first-time homebuyer require-

ment and is geared toward those who might have outgrown their current residence, want to downsize or just want to make a change. Our loan origination team has worked diligently to move this program forward. This year, we financed 176 homes for state residents totaling \$22,753,204.



Owning a home is a vital part of the American dream. Homeowners understand the importance

of community and what it means to be part of something larger than themselves. We're proud to help so many West Virginians turn their dream of owning a home into a reality. Working with lending partners from across the state, we provided 345 homes for state residents totaling \$31,113,279 in 2018.



Buying a home is expensive. It's often our biggest investment. We know that

it's often a challenge to come up with the money to make a down payment. To help our customers, the Fund established our Down Payment/Closing Cost Assistance Program. This year, we provided \$3,965,093 in closing cost assistance to homebuyers in the Mountain State.

INVESTMENT IN WEST VIRGINIA FISCAL YEAR 2018

Total Housing Units: 1,551
Amount Financed: \$122,484,172

Housing Units: 367
Amount Financed: \$31,354,763

Housing Units: 436
Amount Financed: \$44,625,207

Housing Units: 110
Amount Financed: \$6,436,493

Housing Units: 383
Amount Financed: \$28,678,084

Housing Units: 255
Amount Financed: \$11,389,625



HOUSING UNIT PRODUCTION REPORT

Fiscal Year Ended June 30, 2018

PROGRAM	NET UNITS* July 2017-June 2018	TOTAL Net Units*
Homeownership Programs		
Bond	345	45,035
Movin' Up	176	1,097
Secondary Market	289	13,620
Other Current Programs	0	4,655
Inactive	n/a	6,588
Rental Programs		
Development Financing Programs	80	5,206
Low Income Housing Tax Credit	493	12,933
Other Current Programs	1	1,366
Inactive	n/a	10,057
Special Programs	27	12,769
Federal Programs		
HOME Ownership	11	1,419
HOME Rental	8	503
HOME CHDO	10	850
HOME Other	-	155
National Housing Trust Fund	-	-
Inactive	n/a	303
Land Development	111	6,272
TOTAL NET UNITS*	1,551	122,828

* Net units are units that are counted only once, even if they have more than one source of financing.