



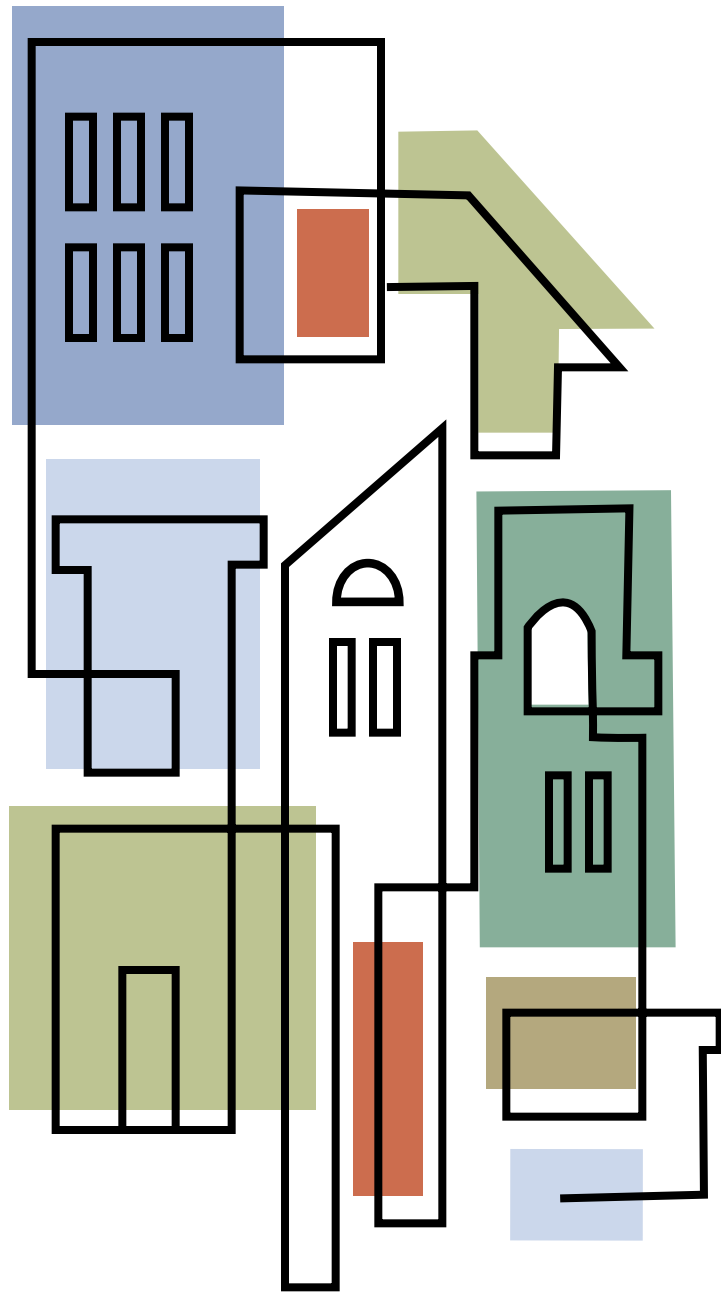
**WE
CONTINUE
TO SERVE**

*because Home
is more important
than ever!*

2020 ANNUAL REPORT



West Virginia Housing
Development Fund



Thank you for taking time to read The Fiscal Year 2020 Annual Report for The West Virginia Housing Development Fund.

For 52 years, the Fund has had the honor of helping nearly 75,000 West Virginians, both individuals and families, turn their dream of homeownership into a reality. To date, the Fund has issued more than \$4.5 billion in bonds and has financed more 124,000 housing units.

This has been a trying and difficult year for our state, our country and the world. A global pandemic sparked by the Coronavirus and COVID-19 has created an unprecedented set of circumstances.

Despite the challenges, both our single family and multi-family lending operations were strong and worked hard to make certain that our state's residents had access to safe, affordable housing options. We offered one of our lowest interest rates in the Fund's history. We also worked with professionals from across the industry to finance residential developments for those who need it most.

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 honor is a direct result of a continued devotion to making quality mortgage loans. The service 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 how developers utilized our Low-Income Housing Tax Credit program to build a gleaming new apartment complex in Wood County and revitalize a historic building in downtown Clarksburg.

Our Board of Directors and the Fund's staff continue to work diligently to provide West Virginians with safe, decent and affordable housing.

Sincerely,
The Staff of the
West Virginia Housing Development Fund

NEW APARTMENTS



Milano did not want to leave the Mountain State, but she needed something a little closer to town. She and her dog George started looking for a new place, which ultimately led her to Newberry Apartments. When she saw the building, she knew it was the place she had been searching for.

"It's as nice as any private home I've ever had."

Lucille Milano



PARKERSBURG – Lucille Milano knows life in the country has its perks, but it just isn't for her. A native New Yorker and longtime resident of Florida, she came to West Virginia to be closer to family. She purchased a modular home and moved onto her daughter's farm. That didn't last long.

"My only neighbors were the turkeys and the squirrels. It was beautiful, but I need people!"

Lucille Milano
Former food service and
restaurant management worker

The three-story, 32-unit complex is set in a beautiful wooded lot on Campus View Drive. The development features on-site management and maintenance staff, an exercise room, a community room, a multi-purpose activity room, a resident lounge and an outdoor patio area. Unit amenities include fully-equipped kitchens, Energy Star appliances and HVAC unit, Energy Star windows, in-unit Energy Star washer and dryer, and a mixture of vinyl flooring and carpet. The building is on the site of a former residence hall for Ohio Valley University.



The \$7 million project was developed by Ohio-based Spire Development. The building was funded, in part, through the West Virginia Housing Development Fund's Low-Income Housing Tax Credit Program. This 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.

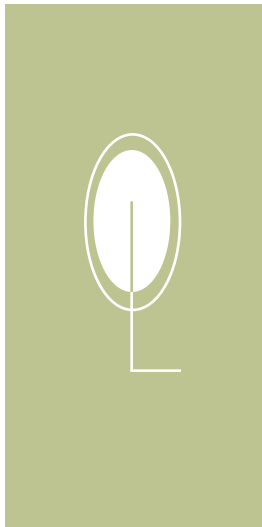
"These units fill a vital need for many state residents. This development is the future of affordable housing in our state. It not only looks amazing, it's clear the developers are working to create a sense of community among residents."

Erica Boggess
Executive Director, WVHDF

"At night, when I walk George, I can see deer up on the hill, which makes it very nice for a city lady!"

Lucille Milano

Milano loves the large closets and spacious kitchen in her two-bedroom unit. She can use the gym or read a book in the library. She also likes that there is plenty of parking and she can enjoy nature while never really leaving the comforts of home.



FORMER STORE Transformed Into NEW APARTMENTS

CLARKSBURG – When a tenant of Palace on Main needs a little help, they call Charles McCumbers.

McCumbers, who lives on the building's first floor and shares a spacious apartment with his wife Penny and their dog Finn, is known to take out a bag of trash, put together a shelf, make a mail run or do just about anything anybody needs.

His willingness to help goes beyond being the resident handyman.

When McCumbers noticed the flower beds outside the West Main Street building could use some sprucing up, he got to work adding new plants and weeding.

"I'm always available. I'm always here. I let the other tenants know that."

Charles McCumbers.

McCumbers said his willingness to help others is one of the ways he can give back and show gratitude for his new place. At his old residence, the bedrooms and bathroom were on the second story.

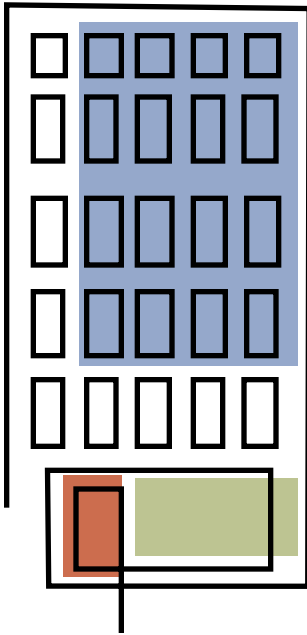
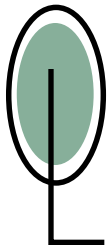
That made it incredibly difficult for Penny, who uses a wheelchair, to get around.

"This place has been great. The unit is more spacious, more accessible and far easier for Penny to get around."

Charles McCumbers.

They knew they needed a more accommodating apartment, but they were not sure where to look. They eventually connected with the staff at the Clarksburg-Harrison Regional Housing Authority and they were among the first people to move into Palace on Main.

The structure has an interesting history. Constructed in 1911, it was the first concrete-steel building in West Virginia. Built for the Palace Furniture Company and designed by noted engineer Frank Duff McEnteer, it has undergone extensive changes since it first opened. New floors have been added, signage was created and it's been used for a variety of purposes.





McCumbers, who also serves as the building's unofficial historian, said it was once used as a hotel and later as a mortuary.

It's now known as The Palace on Main. It was rehabilitated and restored into a 40-unit apartment building for those 55 and older.

The restoration was completed by a group of development partners that include Grant Street Commons and the Clarksburg-Harrison Regional Housing Authority.

It was funded, in part, through the West Virginia Housing Development Fund's Low-Income Housing Tax Credit Program.

"This development is not only attractive, but fills a vital need. It's always great when we can breathe new life into older buildings, adapt and re-use them.

Palace on Main not only looks fantastic, it will be a wonderful home for so many. We are proud to have played a role in its development."

Erica Boggess
Executive Director, WVHDF

The project was recently honored by the Preservation Alliance of West Virginia with the Best Use of Tax Credit Award. Work on the \$5.4 million renovation project, handled by City Construction of Clarksburg, began in November 2017 and was completed earlier this year.

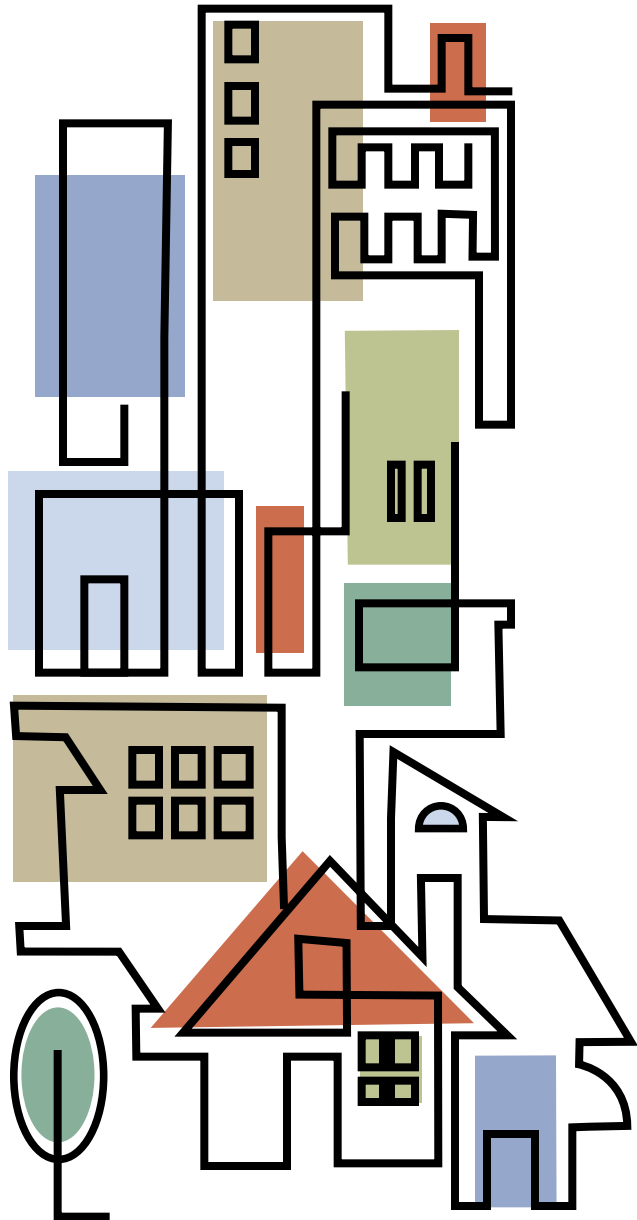


This program generates low-income residential rental units by encouraging private investment through federal tax credits. Since its inception, LIHTCP has produced more than 15,000 affordable rental units in West Virginia.





West Virginia Housing
Development Fund

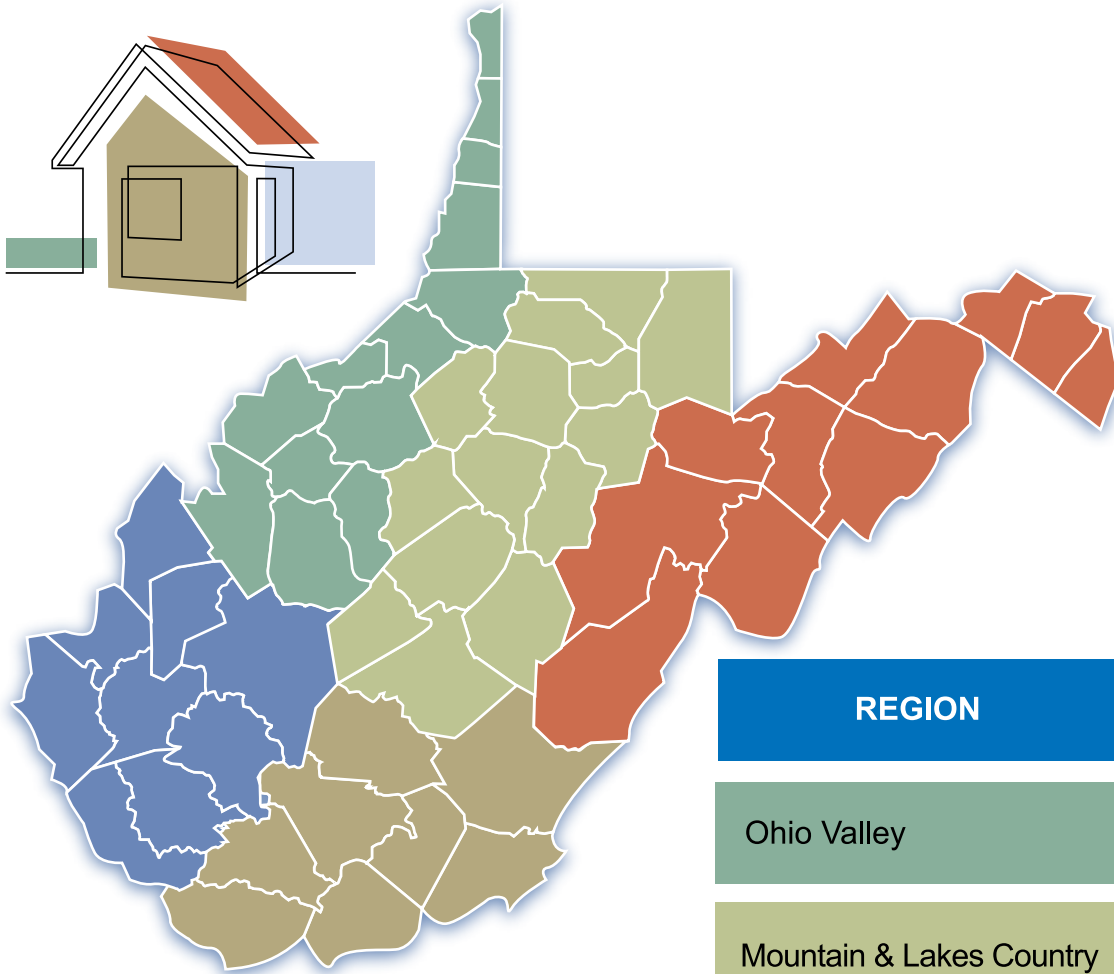


Housing Unit Production Report For the Fiscal Year Ended June 30, 2020

PROGRAM	NET UNITS* July 2019 - June 2020	TOTAL Net Units*
Homeownership Programs		
Bond	428	45,957
Movin' Up	199	1,510
Secondary Market	245	14,087
Other Current Programs	-	27
Inactive	n/a	11,218
Rental Programs		
Development Financing Programs*	144	2,528
Low-Income Housing Tax Credit **	(80)	12,514
Other Current Programs	-	2
Inactive	n/a	14,204
Special Programs	19	13,066
Federal Programs		
HOME Rental	10	513
HOME CHDO	-	850
HOME Other	-	155
National Housing Trust Fund	15	15
Inactive	n/a	1,726
Land Development	-	6,082
Total Net units*	980	124,454

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

**Adjustment from prior year unit count



Investment in WEST VIRGINIA

July 1, 2019 - June 30, 2020

REGION	HOUSING UNITS	AMOUNT FINANCED
Ohio Valley	226	\$42,868,226
Mountain & Lakes Country	268	\$44,673,469
Potomac Highlands	68	\$15,753,578
Greenbrier Valley	105	\$17,575,696
Metro Valley	313	\$37,115,706
TOTAL	980	\$157,986,675





This program is designed to increase and preserve the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing for extremely low-income and very low-income households, including homeless families. This year, the Fund is proud to announce we distributed \$2,305,064 in Housing Trust funding.



The Affordable Housing Fund is utilized to provide funding for both technical assistance 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 West Virginia. The Affordable Housing Fund receives a minimal fee from residential real estate transfers and the sale of manufactured homes. This year, the Fund is proud to announce we distributed \$886,673 in funding.



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 9 counties received Low-Income Housing Tax Credits, which will produce 192 new units and rehabilitate 192 existing units.





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 financing for 428 homes for state residents totaling \$46,926,246 in 2020.



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 requirement 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 199 homes for state residents totaling \$24,584,831.



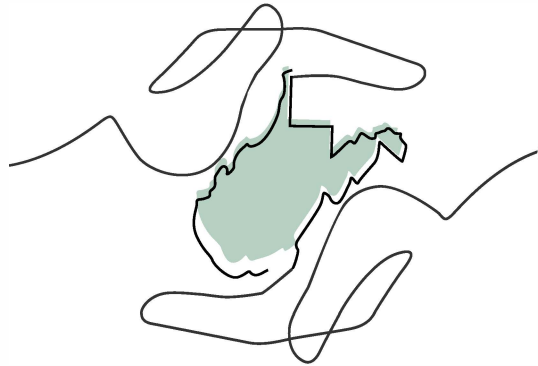
Buying a home is expensive. It's often our biggest investment. Because we know that it's often a challenge to come up with the money to make a down payment, the Fund established our Down Payment/Closing Cost Assistance Program. This year, we provided \$4,227,476 in closing cost assistance to homebuyers in the Mountain State.



West Virginia is often rural and remote. That 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 Program. 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 14 families and individuals, totaling \$117,435 in funding.



The primary objective of the HOME program is to expand the supply of decent, safe, sanitary and affordable 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 distributed \$5,774,032 in HOME funding.



West Virginia **STRONG**

It is our honor to serve our state and those who have entrusted us with what is often their most important investment.

COVID-19 and the global pandemic created by Coronavirus have impacted all of us. Our customers are nurses, medical technicians, firefighters, police officers, truck drivers, retail workers and those who have so bravely served on the front lines of this battle. At the Fund, we knew we could not pause, or even slow down, the vital work we do on behalf of our state. We joined with our partners across the housing spectrum to ensure borrowers in need had options and that our staff could safely carry out our mission to provide West Virginians and West Virginia families with access to safe, affordable housing.

- ▶ Through our forbearance and loan assistance programs, we worked with homeowners and multifamily property owners who were negatively impacted by the pandemic.
- ▶ Revamped our website to clarify our assistance options and direct those with questions to the right staff person.
- ▶ Implemented new technologies to allow staff to work remotely while still maintaining our steadfast commitment to customer service.
- ▶ Continued working with stakeholders from across the housing industry to make sure both our single and multifamily operations were at full strength.
- ▶ Closed two single family bond deals, giving potential buyers access to \$55 million in mortgage funding.
- ▶ Offered one of the lowest interest rates in the Fund's history.
- ▶ Worked with developers to help finance a number of multifamily developments across the state.