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West Virginia Housing
 Development Fund

The WVHDF is self-sustaining and receives no State appropriations. As such, no tax dollars were used in the production of this publication.



Annual Report
2014



"We continue to maintain our "AAA" general obligation debt rating. We are the only state housing agency in the nation to achieve this rating."

Erica Boggess
 Acting Executive Director
 WVHDF

Dear Reader,

Thank you for taking time to read the Fund's Annual Report for Fiscal Year 2014. Here you'll find information about our continuing efforts to help West Virginians and West Virginia families turn the dream of homeownership into a reality.

This year, our two single-family home buying programs were utilized with great success. As it has for a generation, our Homeownership program remains the go-to option for middle income borrowers and those looking to purchase their first home. We are excited about the continued growth of our Movin' Up program. With no first-time homebuyer requirement, this is an exciting option for those looking to make a change. Movin' Up is the first of its kind in the nation and we're proud to offer this program to our residents.

The Fund has worked hard over the last fiscal year to cement ties with our partners. Working with lenders, real estate agents, mortgage professionals, nonprofits, government agencies, builders, developers and others from across the housing industry, we have found new ways to work with those who share our mission of providing safe, affordable housing.

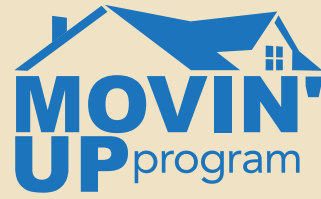
We continue to maintain our "AAA" general obligation debt rating. We are the only state housing agency in the nation to achieve this rating. This distinction is a direct result of our devotion to making solid mortgage loans and our customers' commitment to what is often their biggest investment. Both Standard & Poor's and Moodys, the country's most respected rating services, noted the extremely high credit quality of our asset base, our ability to meet our legislative mandate, the dedication of our management team, our prudent investment philosophy and West Virginia's stable economic base.

As we embark on yet another year of service, our Board of Directors and the Fund's staff will continue to work diligently to provide West Virginians with safe, decent and affordable housing.

Erica L. Boggess
 Acting Executive Director
 West Virginia Housing Development Fund



Programs That Put People First in Fiscal 2014



\$34,619,694 in Financing for 301 West Virginia Homes

We are excited about the second full year of our Movin' Up program. This program is designed for moderate-income homebuyers who have outgrown their current residence, want to downsize, or just want to make a change. Movin' Up has proven to be one of our most popular loan programs.



24 Families Benefited from On-site System Loans Totaling \$183,894

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 Environment Protection to develop the On-Site Loan Program. This 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.



\$712,083 to Create Housing for Families in Need

The Low-Income Assisted Mortgage Program (LAMP) was developed in 1992 as a pilot program with the Mountaineer Habitat for Humanity. This program helps to enable those with very low incomes become homeowners. LAMP allows participating non-profit housing providers to sell their loans to the Fund - freeing up working capital that in turn allows non-profits to construct even more needed homes.



Fund Partners with Lenders to Finance 321 Homes Totaling \$32,757,419

Owning a home is a vital part of the American Dream. The Fund works with lending partners throughout our state to help West Virginians secure mortgage financing and realize their dream of homeownership.

Making Homeownership Affordable \$5,312,770 in Down Payment/Closing Cost Assistance Loans



Closing costs and down payments are often an obstacle to potential home buyers. The West Virginia Housing Development Fund established the Down Payment/Closing Cost Assistance Program to encourage homeownership. This unique program works hand in hand with several of our loan options to make homeownership more affordable.



Lending \$480,200 to Non-profits for People in Transition

The Special Assistance Lending Program (SALP) is designed to provide financial assistance for construction and rehabilitation to nonprofit organizations engaged in the development and operation of programs and/or properties that improve group-home housing opportunities and/or promote the general welfare of special needs populations or low to very-low income populations. Among the projects funded this year was the Oakhurst Outreach Transitional Housing Center in White Sulphur Springs.



The LIHTCP was enacted by Congress in 1986 to provide the private market with an incentive to invest in affordable rental housing.

Affordable Housing for Hard Working West Virginians

The LIHTCP opens the door to affordable housing for thousands of hardworking West Virginians. They're the people who care for you in the hospital. The ones building our roads and bridges. The cook at your local cafe, the teacher, or the emergency responder. They're the disabled living on a fixed income and seniors who have worked hard for decades. They're a diverse group from every walk of life with one common need. They all need safe, decent and affordable housing.



Meet Stacey Smallwood

Stacey Smallwood shares a tidy apartment with her son and daughter in Apple Tree Garden Apartments in Ransom.

She has lived in the development for 21 years. She works as a bailiff at the Jefferson County Courthouse.

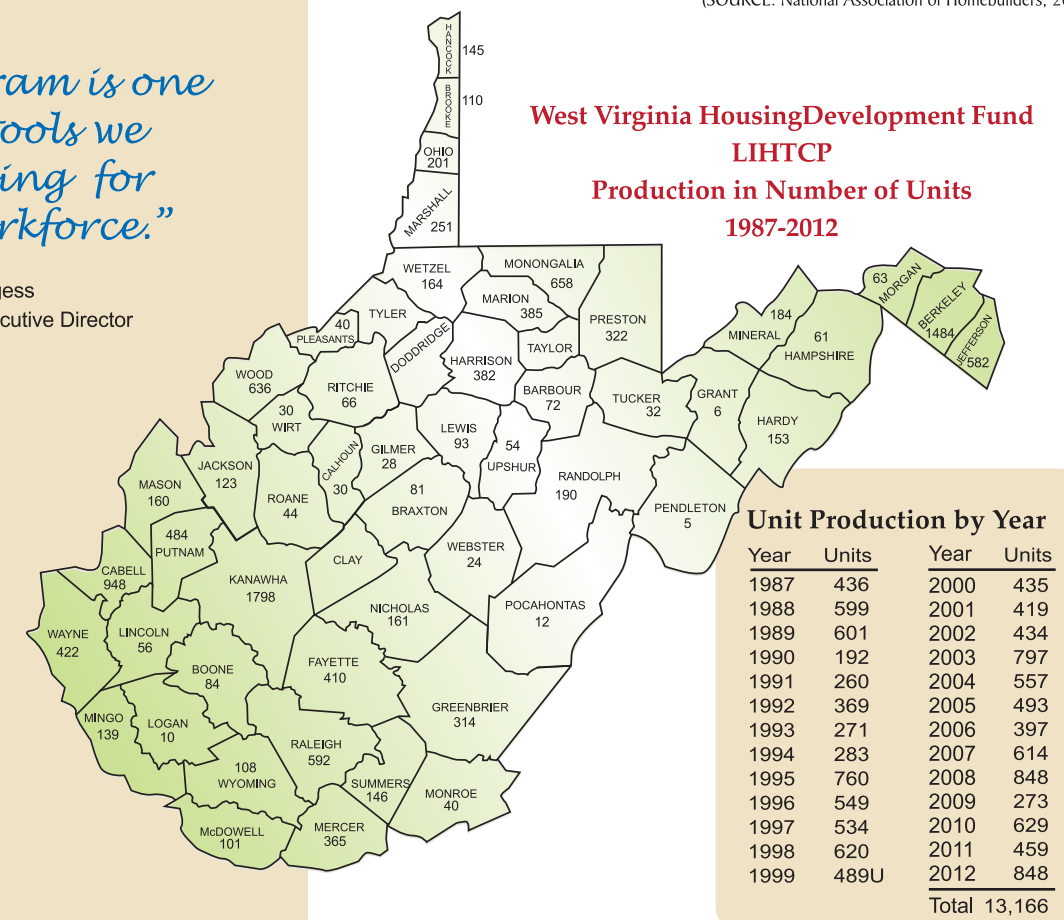
Economic Impact of WVHDF Production in a Year

	Income	Taxes	Jobs
New Family LIHTCP	23,748,000	4,092,000	669
New Elderly LIHTCP	8,541,000	1,474,000	288
Rehabilitated LIHTCP Apartments	15,118,000	2,986,000	399

(SOURCE: National Association of Homebuilders, 2007)

"The tax credit program is one of the most effective tools we have to provide housing for the lower-income workforce."

Erica Boggess
Acting Executive Director
WVHDF



Executive Staff



- Erica L. Boggess - Acting Executive Director
- Steve A. Fisher - Deputy Director of Program Operations
- Robert F. Cary - Director of Federal Compliance & Policy Development
- Kristin A. Shaffer - Senior Legal Counsel
- Alicia Deligne - Legal Counsel - Compliance
- Sherry Bossie - Senior Director - Tax Credit & Compliance
- Julie Davis - Senior Director - Finance & Quality Control
- Adola S. Miller - Senior Director - Human Resources & Communication
- David Rathbun - Senior Director - Single Family Loan Origination
- Crystal Toney - Senior Director - Accounting & Administrative Services
- Julie Aliff - Senior Director - Loan Servicing
- Phyllis Jackson - Managing Director - Loan Origination & Underwriting
- Chad Leport - Managing Director - Internal Audit
- Dorothy White - Managing Director - Section 8 Contract Administration
- Michelle Wilshere - Managing Director - Low-Income Housing Tax Credits
- Joshua Brown - Managing Director - Asset Management & Technical Services
- Cathy Colby - Managing Director - HOME Program
- Patti Shamblin - Managing Director - Loan Origination

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Board of Directors

The Honorable
Earl Ray Tomblin
Governor
Chairman of the Board



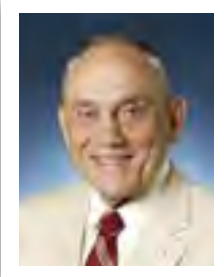
The Honorable
John Perdue
WV Treasurer



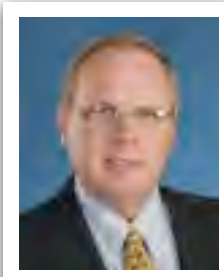
The Honorable
Walt Helmick
WV Commissioner of Agriculture



Sam Kapourales
Kapourales Properties, LLC



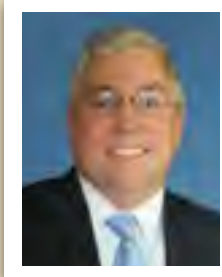
J.D. Stricklen
Stricklen Properties



Jeff Borman
Financial Advisor
LOC Investment Advisers



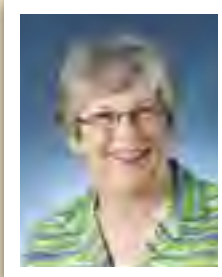
Robert "Bob" S. Kiss
Governor's Designee
Cabinet Secretary
WV Dept. of Revenue



The Honorable
Patrick Morrisey
WV Attorney General



Everette Sullivan
Retired
WV Council of Carpenters



Julia Elbon
Prime Properties, Inc.



R. Fred Clark
Retired
Banker & Consultant

*Thank you for your
years of service!*



The Facts about Low-Income Housing and Property Values

Research shows that properly designed and managed affordable housing can actually have a positive impact on surrounding property values. Well-planned and targeted, subsidized, housing programs may actually help to revitalize struggling communities and generate positive externalities that help to turn declining neighborhoods around.

Low-income housing developments can also eliminate vacant or abandoned lots while providing decent housing to underserved populations.

Low-Income Housing Tax Credits Create Jobs and Tax Revenue

Tax credit properties create jobs, attract new businesses and contribute to a community's tax base. The creation of new, low-income housing and the preservation and rehabilitation of existing structures over the last 5 years have produced:

- 15,000 Jobs
- \$120 Million in local payrolls
- \$114 Million in state and local revenue
- \$331 Million in Federal revenue

New Construction or Redeveloped Properties

Low-Income Housing Tax Credits can be used to develop new rental properties like Founders Landing in Huntington or rehabilitated properties like Luna Park in Charleston and First Ward in Elkins. In the last five years, the program has assisted in the development of 38 properties that created approximately 2,500 affordable rental units.



Luna Park Apartments
Former Luna Park Elementary School
Charleston, WV



The Future

Developments currently under construction include:

- Capital Greene, Wheeling (40 units)
- James H. Booton Memorial Apartments, Wayne (using an old school) 19 units and a senior center/clinic
- Shrewsbury Village, Charleston (32 units)
- Parkersburg Senior Residence, Parkersburg (36 units)

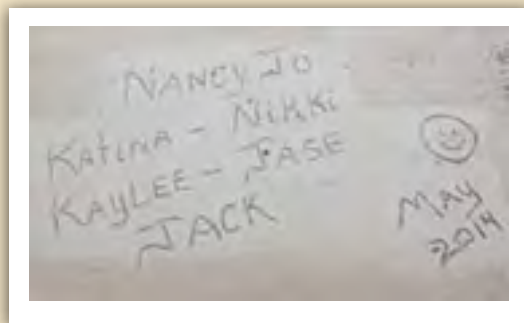


In Fiscal 2014, the Fund Disbursed Nearly \$8 Million Through our HOME Programs



"I get to show all my friends and family my new home. God has truly blessed me."

Nancy Jo Blankenship
Home Owner



The Fund's HOME programs continue to increase the supply of safe, decent, and affordable housing for lower-income West Virginians like Nancy Jo Blankenship and her nephew.

Nancy Jo Blankenship and her nephew needed a new place to live in the worst way. "We had a trailer in Brushfork. Last year, I opened the door and a snake slithered into my living room," she said during a recent interview at her new home on Highland Avenue in Bluefield. "Three weeks later, I came home from church and found dead snakes in my back bathtub."

Snakes were just one of many problems Nancy faced. The floor was rotting away and persistent mold had become an issue. Blankenship, who works at Sacred Heart Catholic Church, had to do something, but she never thought of homeownership as an option. Then she heard about a program through Community Action of South Eastern West Virginia (CASE). She contacted the folks at CASE and learned about a home they were building that would soon be for sale.

Blankenship filed the proper paperwork and qualified for the CASE program. She secured financing through First Community Bank and the Fund's HOME programs. She recently celebrated her 50th birthday in her new residence.

Blankenship's home is part of Westbridge Gardens, a development that features both her single family residence and another five multi-family rental units. Westbridge Gardens was financed in part through the Fund's HOME Programs. The total cost of the project was \$1.3 million.

"We're so happy for Nancy and her family," said Erica Boggess, the Fund's acting executive director. "This was a true collaboration. So many people came together to make this happen. CASE truly lead the way and we're proud of the work that's been done to revitalize Bluefield."

The entire Westbridge Gardens complex is just one of many of the HOME programs' success stories for 2014.

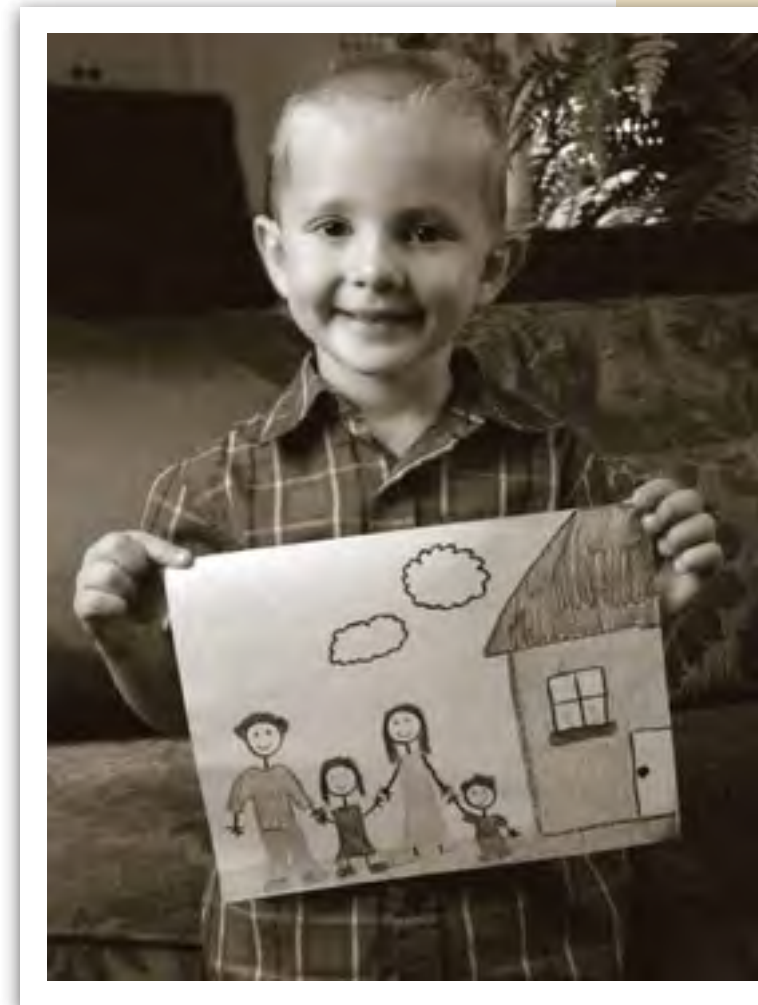
This year, the Fund disbursed nearly \$8 million through the HOME, CHDO, HOME Single Family, and HOMERent programs. These disbursements positively impact and increase the supply of safe, decent, and affordable housing for lower-income West Virginians.

The Fund has committed over \$10 million in HOME funds for future developments that will positively impact and increase the supply of safe, decent, and affordable housing through the rehabilitation or new construction of units in our state.

These commitments represent 175 units that will be rehabilitated or constructed within the next three years.

The Department of Fair Housing and Client Services

Our Department of Fair Housing and Client Services continues to review and approve all affirmative fair housing marketing plans and assist with the update and completion of annual reports to HUD. We also provide training for property owners, management companies, architecture firms and others throughout the state. In addition, this department tracks and supports the reporting and preparation of our annual affirmative action plan.





Professional Outreach

In 2014, we made a concerted effort to strengthen our already solid relationship with the state's realty community. Presentations, sponsorships, office visits and more traditional outreach efforts have always been a part of the mix, but this year we took it a step further. We created a page on our website specifically for real estate agents. This page provides information, directories and tools that help real estate agents better understand and make use of our loan programs.



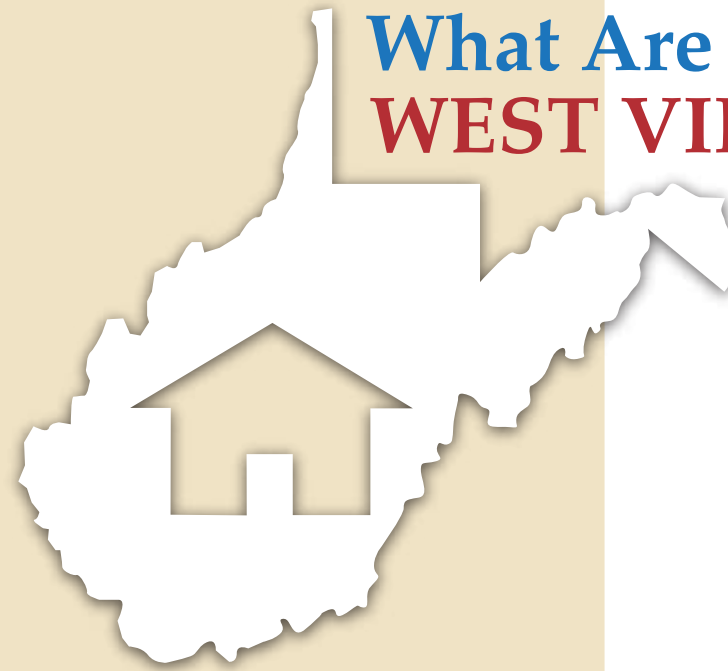
Content also includes our new video:

"Ten Myths About the West Virginia Housing Development Fund: Realtor's Edition. The "Myths" video was developed following focus groups with real estate agents which revealed that many agents hold misconceptions about the Fund and its programs.





The video debunks the myths and provides agents with practical information that can help them and their clients understand and make better use of our loan programs. The video has received a thumbs up from agents and lenders alike!



What Are WEST VIRGINIA's Housing Needs?



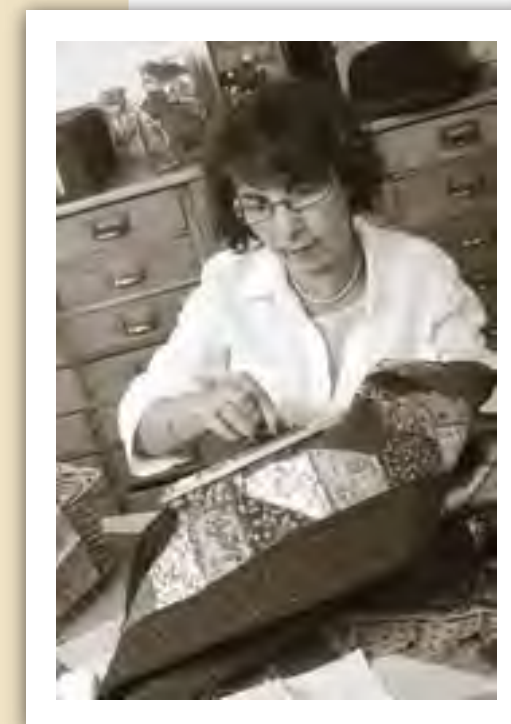
What are West Virginia's housing needs? How do we meet them? The Fund recently completed a comprehensive housing assessment that focuses on our state's current and anticipated housing issues. A detailed analysis of each county was conducted to evaluate demographic trends, economic and housing market performance, household income projections and anticipated market demand with the focus on affordable housing.

-  West Virginia has the highest rate of homeownership in the country.*
-  Foreclosure rates in WV are lower than national averages.*
-  Affordable, subsidized or tax-credit units are in demand.*
-  Greatest potential in rental housing need appears to be affordable senior housing.*

*Data was compiled from a number of sources, including the U.S. Census, the U.S. Department of Labor, The American Community Survey and interviews with local government and housing officials. The study gives a specific and detailed look at housing trends, opportunities and challenges at the local, regional and state levels.

"This study gives us a good look at the state in terms of housing and how we can better serve our citizens. It offers clarity in terms of where we need to focus our efforts and how we can most effectively address the state's housing needs."

Erica Boggess
Acting Executive Director
WVHDF

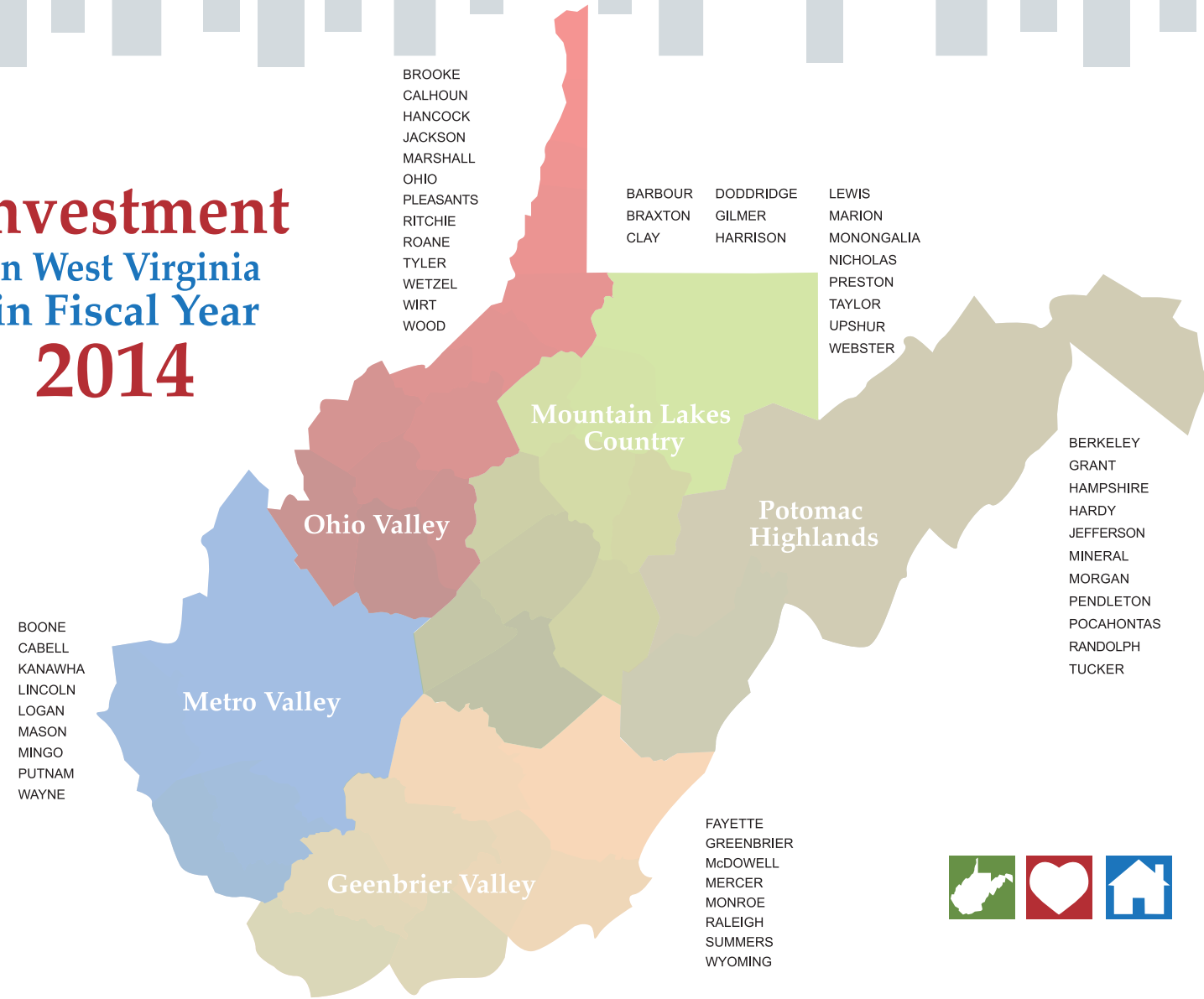


To find out more, visit the news room on our website where county-by-county breakdowns are available:

www.wvhdf.com



Investment in West Virginia in Fiscal Year 2014



REGION	HOUSING UNITS	AMOUNT FINANCED
Ohio Valley	335	\$23,715,242
Mountain & Lakes Country	311	\$26,387,580
Potomac Highlands	131	\$12,526,436
Greenbrier Valley	331	\$12,029,987
Metro Valley	465	\$43,802,892
Total	1,573	\$118,462,137

Housing Unit Production Report For Fiscal Year Ending June 30, 2014

PROGRAM	NET UNITS* July 2013 - June 2014	TOTAL Net Units*
Homeownership Programs		
Bond	622	43,921
Secondary Market	239	12,504
Other Current Programs	1	4,653
Inactive	n/a	6,588
Rental Programs		
Development Financing Programs	-	4,996
Low-Income Housing Tax Credit	37	11,239
Other Current Programs	-	1,339
Inactive	n/a	10,057
Special Programs	124	12,577
HOME		
HOME Program	17	1,331
HOMErent	180	378
CHDO	19	809
Other HOME Programs	-	154
Inactive	n/a	303
Land Development	-	5,919
Total Net Units*	1,573	116,768