

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to direct the Department of Housing and Community Development, in collaboration with the Virginia*
 3 *Housing Development Authority, to create a two-year pilot program that would provide loan origination*
 4 *and servicing activities for mixed income housing; report.*

5 [S 490]

6 Approved

7 **Be it enacted by the General Assembly of Virginia:**8 **1. § 1. As used in this act:**9 *"Department" means the Department of Housing and Community Development.*

10 *"Eligible entity" means individuals, joint ventures, partnerships, limited partnerships, public bodies,*
 11 *trusts, firms, associations, corporations, cooperatives and condominiums, or other legal entities, or any*
 12 *combination thereof, approved by the Department as qualified either to own, construct, acquire, rehabilitate,*
 13 *operate, manage, or maintain a housing development, whether nonprofit or organized for limited profit,*
 14 *subject to the statutory authority of the Department and other terms and conditions set forth in this act.*

15 *"HDA" means the Virginia Housing Development Authority created in Chapter 1.2 (§ 36-55.24 et seq.) of*
 16 *the Code of Virginia.*

17 *"Housing project" means any construction or rehabilitation of a property containing both low-to-*
 18 *moderate income residential dwelling units and market rate residential dwelling units that is designed and*
 19 *financed pursuant to the provisions of this act for the primary purpose of providing sanitary, decent, and safe*
 20 *dwelling accommodations for persons and families of mixed income in need of housing. "Housing project"*
 21 *may include site preparation activities, including improvements to streets, sewers, utilities, and other such*
 22 *public infrastructure improvements necessary to accommodate the housing project.*

23 *§ 2. The Department shall work in collaboration with the HDA to create a two-year pilot program that*
 24 *would provide loan origination and servicing activities as needed to carry out the purposes of (i) making*
 25 *lower-interest loans to eligible entities that incur costs in the acquisition, construction, or improvement of*
 26 *mixed-income housing projects or for infrastructure needed for site development and readiness for housing*
 27 *projects; (ii) loan origination and servicing costs; and (iii) administration costs. The Department shall also,*
 28 *through the HDA, make lower-interest loans to eligible entities that incur costs in the acquisition,*
 29 *construction, or improvement of mixed-income housing projects or for infrastructure needed for site*
 30 *development and readiness for housing projects. Such loans shall be structured to maximize leveraging*
 31 *opportunities. The HDA, in consultation with the Department, shall determine the terms and conditions of*
 32 *any loan, including the interest rate and repayment terms of each such loan. Any funding for the pilot*
 33 *program, subject to the appropriation act, shall be utilized from up to 15 percent of the annual deposit made*
 34 *to the Virginia Housing Trust Fund.*

35 *§ 3. On or before November 1 of each year of the pilot program created pursuant to § 2, the Department*
 36 *and the HDA shall report to the General Assembly on (i) the total number of loan awards, including funding*
 37 *amounts; (ii) the purpose for which each loan was made; (iii) the financing for each housing project by*
 38 *source; (iv) the number of units created by income by housing project; (v) the number of units created by rent*
 39 *by housing project; (vi) the occupancy rate by housing project; and (vii) any other such information deemed*
 40 *appropriate by the Department and the HDA. The Department shall develop, in consultation with the HDA,*
 41 *guidelines and other materials to facilitate the purposes of the pilot program. The Department, in*
 42 *consultation with the HDA, shall define "low income," "moderate income," "mixed income," and "mixed-*
 43 *income housing project" in developing such guidelines. The Department may consider loan cap amounts,*
 44 *loan percentage of total cost of the housing project, income limits for the affordable housing portion of a*
 45 *housing project, and other considerations to structure the loans.*