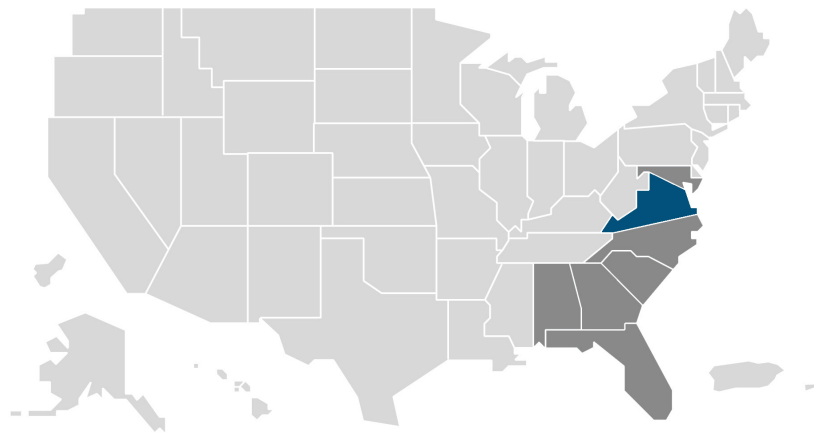


# ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



**VIRGINIA**  
STATE REPORT

# VIRGINIA STATE REPORT

## Table of Contents



Rental, Home Construction and Rehabilitation Activities Economic Basis .....	2
Home Purchase Activities Economic Basis.....	3
Rental, Home Construction and Rehabilitation Activities Economic Impact .....	4
Home Purchase Activities Economic Impact.....	5
Story Narrative.....	6
Project Profile: Home Purchase Activity.....	7
Story Narrative.....	8
Project Profile: Rental Activity .....	9

Since its creation in 1989, the Federal Home Loan Bank System’s Affordable Housing Program (AHP) has been a substantial and valuable source of real estate equity for the financing of affordable housing in the United States. From 1990 through 2016, the 11 Federal Home Loan Banks (FHLBanks) collectively contributed more than \$4.1 billion (\$5.4 billion in inflation-adjusted dollars) in AHP real estate finance equity for rental, home construction and rehabilitation activities. This equity was combined with \$65.7 billion (\$83.9 billion in inflation-adjusted dollars) in leveraged dollars from other private and public sources, enabling \$69.9 billion (\$89.3 billion in inflation-adjusted dollars) in total development funding for more than 601,000 housing units. From 1995 through 2016, the FHLBanks also collectively contributed approximately \$1.0 billion (\$1.2 billion in inflation-adjusted dollars) in AHP equity for down payment assistance and mortgage principal reduction, assisting more than 183,000 home purchase activities. Each FHLBank allocates at least 10 percent of its annual net earnings to fund its AHP. As such, the continued operating and mission success of the FHLBanks has directly enhanced the development and purchase of affordable housing throughout the country and has had a positive impact on local and state economies and on the national economy. The state of Virginia is in the Atlanta district. This report details the economic impact of housing within Virginia that has been enhanced by AHP funding from 1990 through 2016.\*

\* Note: some projects within Virginia may have received AHP funding from a Federal Home Loan Bank other than FHLBank Atlanta. For further detail on the economic impact study methodology, please see: Study Methodology and Appendices Report.

# VIRGINIA Rental, Home Construction and Rehabilitation Activities

## Economic Basis



**\$64.29** MILLION

### TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant, and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

**\$78.92** MILLION

### TOTAL AHP SUBSIDY INFLATION-ADJUSTED



**\$1.16** BILLION

### DEVELOPMENT COST

Development Cost refers to the cost of acquiring land or pre-existing housing units, demolition and/or relocation costs and any costs incurred while constructing, rehabilitating or redeveloping housing.

**\$1.40** BILLION

### DEVELOPMENT COST INFLATION-ADJUSTED

 **621**

### PROJECTS

Projects refers to the distinct use of AHP funding for a specific acquisition, construction or rehabilitation of building(s) or housing unit(s).

 **10,723**

### TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

**Inflation-Adjusted** refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

# VIRGINIA Home Purchase Activities

## Economic Basis



**\$40.24** MILLION

### TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

**\$45.80** MILLION

### TOTAL AHP SUBSIDY INFLATION-ADJUSTED



**\$899.91** MILLION

### FIRST MORTGAGES

First Mortgages refers to the volume and value of first-lien position mortgages financed by lenders in a home purchase activity.

**\$1.01** BILLION

### FIRST MORTGAGES INFLATION-ADJUSTED

 **6,521**

### TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

**Inflation-Adjusted** refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

# VIRGINIA Rental, Home Construction and Rehabilitation Activities

## Economic Impact



**\$2.36** BILLION

### TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with rental, home construction and rehabilitation enhanced by AHP funding.



**17,715** JOBS

### JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced rental, home construction and rehabilitation activities.



**\$795.56** MILLION

### LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

**1.69**

### MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home construction and rehabilitation of affordable rental and housing units.

**\$81.20** MILLION

### TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

All dollars are in inflation-adjusted dollars.

# VIRGINIA Home Purchase Activities

## Economic Impact



**\$2.01** BILLION

### TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with home purchases, enhanced by AHP funding.



**12,886** JOBS

### JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced home purchase activities.



**\$444.83** MILLION

### LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

**1.87**

### MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home purchases of affordable housing units.

**\$67.90** MILLION

### TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

# Virginia Is for Lovers . . . and Veterans



“We think creatively about how we can utilize the resources that are out there to bring solutions to our community,” says Dave Prosser, vice president of community development, Freedom First Federal Credit Union.

As military men and women return to civilian life, they are often looking to provide stability to their families and loved ones after years of base reassignments and potential deployments. To help ease the transition to civilian life and support all former members of the military and their families, innovative and customized solutions must be created to serve those who have served our country.

The desire to give back to veterans led to the creation of FHLBank Atlanta’s Returning Veterans Purchase and Veterans Purchase Products. These products provide up to \$10,000 in down payment, closing cost and principal reduction assistance for the purchase, or purchase and rehabilitation, of a home to be used as a primary residence. FHLBank Atlanta AHP funds help increase the rate of homeownership among veterans while reducing the financial burden of homeownership.

The Returning Veterans Purchase and Veterans Purchase Products offer a valuable tool for FHLBank Atlanta members seeking to expand their business by serving their military community. Between 2012 and 2016, 25 member financial institutions of FHLBank Atlanta provided \$1,278,100 in homeownership grant assistance to more than 156 households of veterans throughout the Commonwealth of Virginia, resulting in more than \$23M in total mortgages.

In addition to home purchase assistance, FHLBank Atlanta’s Veterans Home Purchase initiative provides ongoing financial literacy education and counseling resources for veterans. The program proudly serves those who have served the United States of America by providing financial support and stability to military members and their families.

**Dave Prosser**  
**Commonwealth of Virginia**

# VIRGINIA

## Project Profile: Home Purchase Activity



In 2017, Fidelity Bank leveraged \$526,326 of FHLBank Atlanta First-time Homebuyers, Community Partners and Veterans Purchase products with the purchase of 104 homes in primarily minority communities in the state of Virginia. Through this partnership, Fidelity Bank was able to combine the \$526,326 in FHLBank Atlanta funds to leverage \$21,185,221 in first mortgages. Therefore, for every \$1 of FHLBank Atlanta funding, households were able to leverage an additional \$40 of traditional funding for first mortgages to purchase their homes. Through the partnership with FHLBank Atlanta, Fidelity Bank has been able to expand its clientele, serve current customers and invest in minority communities, helping them meet their mission to be and do “Right by You.”

<b>SOURCES</b>	
<b>Fidelity Bank First Mortgages</b>	<b>\$ 21,185,221</b>
<b>FHLBank Atlanta</b>	<b>\$ 526,326</b>
<b>Number of Purchase Transactions</b>	<b>104</b>
<b>Total</b>	<b>\$ 21,711,547</b>



# AHP Connects Communities and Governments to Solve Housing Challenges



**Parker View**

As children leave home to start families of their own, aging parents on a fixed income are often left behind with the task of balancing the maintenance and expense of a home originally sized for a family of four or five. Aging parents also often face increased social isolation, lack of access to transportation and worsening health.

The need for safe and healthy affordable housing in James City County, Virginia spiked recently as the elderly population increased rapidly at the same time as rents were facing rapid price escalation. Bay Aging became keenly aware of the growing demand for affordable senior housing and worked with James City County officials to develop Parker View, a 67-unit project consisting of one-bedroom units with a community room, craft room, computer access and laundry facilities.

County officials helped Bay Aging garner community support, secure the well-located site, reduce permitting costs and bring required infrastructure to the project. To enhance the resident experience and quality of life, Bay Aging provides an adult daycare program, education programs, onsite health services and transportation services. By connecting Parker View residents to each other as well as the community, residents are free of the isolation often felt by aging populations.

Parker View was financed through a \$5,584,733 HUD Section 202 grant and \$335,000 in FHLBank Atlanta AHP subsidy. The use of FHLBank AHP funds allowed Bay Aging to enhance the property amenities and unit design beyond the limiting restrictions of the HUD Section 202 grant. The use of HUD Section 202 funds and FHLBank Atlanta AHP funds ensures the property will provide low-income individuals who are 62 years of age or older with quality, affordable and connecting housing for years to come.

**Parker View  
Williamsburg, Virginia**

# VIRGINIA

## Project Profile: Rental Activity



### Berkley Court Apartments

Berkley Court Apartments project consists of the rehabilitation of a public housing development constructed in 1983. The 75 renovated townhouse and garden-style units serve families at or below 50 percent of area median income (AMI), with eight units reserved for families at or below 40 percent AMI. The rehabilitation of the property includes extensive energy- efficiency upgrades, solar panels, updated HVAC, updated electrical and updated plumbing, along with exterior and unit finish upgrades.

With little ongoing investment in the surrounding area, the rehabilitation of Berkley Court apartments is expected to spur new development opportunities in the area and improve the surrounding community.

This Rental Assistance Demonstration project included financing through public housing authority capital funds, Low-Income-Housing Tax Credit Equity, grants and a conventional mortgage. FHLBank Atlanta AHP subsidy supported the construction and rehabilitation of the property.

#### SOURCES

LIHTC Equity	\$	3,703,000
Access National Bank	\$	871,000
Owner Equity	\$	562,000
Public Housing Capital Funds	\$	526,000
FHLBank Atlanta	\$	350,000
Department of Housing and Community Development	\$	350,000
<b>Total</b>	<b>\$</b>	<b>6,362,000</b>