West Virginia Housing Development Fund

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

FY24 PATHWAYS TO REMOVING OBSTACLES TO HOUSING (PRO Housing)

DRAFT PROPOSAL

FR-6800-N-98
10/15/2024

Table of Contents

Exhibit A

Executive Summary

West Virginia Housing Development Fund

EXECUTIVE SUMMARY

The Pathways to Removing Obstacles (PRO Housing) NOFO for the FY24 is a competitive grant program administered by HUD that seeks to remove barriers to affordable housing and seeking to increase housing production and lower housing costs overall.

In 2019, the West Virginia Housing Development Fund (the "Fund") commissioned a statewide housing needs assessment. This report noted an unmet need of over 50,000 affordable rental units across West Virginia. Since that time, the Fund has produced over 2,800 affordable units through various programs the Fund administers. The Fund is updating the housing needs assessment, but initial indications show a significant unmet need for affordable housing remains throughout the State.

The Fund encounters significant barriers through its work to increase and preserve the supply of affordable housing. Several key barriers have been identified by the Fund, and efforts to address those barriers have been incorporated into the structure of the Low-Income Housing Tax Credit Program ("LIHTCP"). The key barriers and efforts by the Fund to address those barriers are discussed throughout this application.

Currently, the most pressing barriers are development costs and the availability of financing subsidies. Increasing land, development, and operational costs are a key barrier to the development and preservation of affordable housing. The current cost climate is particularly challenging in small, rural areas present throughout the State. These areas are generally only able to support small projects, which have a higher development cost per unit when compared to larger projects, often resulting in large financing gaps. These large financing gaps cannot be addressed with traditional financing methods. This puts a lot of pressure on soft sources of financing such as the HOME and the Housing Trust Fund ("HTF") programs. As a small state, West Virginia receives the minimum allocation for these programs annually, which is not sufficient to fill the financing gaps of projects in the Fund's pipeline.

The Fund is requesting $7 million in PRO Housing funds to address the financing gaps to create and preserve affordable housing units in West Virginia. To further those efforts, the Fund proposes to provide matching (leverage) funds of $3.5 million.

Given the large need for affordable housing throughout the state, the geographic scope of the Fund's proposal is the entire State. However, first preference will be given to properties located in counties listed in the PRO Housing List of Priority Geographies which fulfill at least two of the three noted measures - Affordable housing not keeping pace, Insufficient affordable housing, and Widespread housing cost burden and substandard Housing (Priority Preference Counties). The next preference is for properties in the remaining eighteen (18) counties listed in the PRO Housing List of Priority Geographies (Priority Counties). If there are not adequate requests received in the Priority Preference Counties and Priority Counties, the Fund will award PRO Housing funds to any other county (Balance of State Counties). A map of the three defined areas is attached to this proposal as the last page Exhibit D.

The Fund has the capacity to administer this grant utilizing its current infrastructure for Multifamily Lending Programs, which includes existing staff with experience in the requirements applicable to this grant. More specifically, the proposed funds will be administered by the Fund's existing HOME and HTF Program staff, consisting of seven (7) staff members. These staff members have the required experience and capacity to administer the program alongside the HOME and HTF programs.

Program Budget:

Targeted Funding for Development (PRO Housing Funds)	$7,000,000
Leverage funds (matching) from the Fund	$3,500,000
Program Administration by the Fund (10% of award)	($700,000)
Total program funding to address development financing gaps	**$9,800,000**

Timeline:

Anticipated application due date – May 30, 2025
Anticipated selections – August 15, 2025
Anticipated expenditures by December 31, 2027.

Exhibit B

Threshold Requirements and Other Submission Requirements

West Virginia Housing Development Fund

THRESHOLD ELIGIBILITY REQUIREMENTS

1. <u>Resolution of Civil Rights Matters</u>

The West Virginia Housing Development Fund (the "Fund") has no outstanding civil rights matters.

2. <u>Timely Submission of Applications</u>

The application for the HUD Pathways to Removing Obstacles to Housing ("PRO Housing") Program will be submitted by the application deadline of 11:59:59 PM Eastern time on October 15, 2024.

3. <u>Eligible Applicant</u>

The Fund is an eligible applicant as a state government (00). The Fund is an instrumentality of the State of West Virginia pursuant to W. Va. Code 31-18-1, et seq. with a mission of providing safe, affordable housing for low to moderate income West Virginians. As an instrumentality of the State of West Virginia, the Fund is authorized to submit the PRO Housing application and to carry out the grant activities for which it is seeking funding.

4. <u>Number of Applications</u>

The Fund is only submitting one application.

OTHER PROGRAM-SPECIFIC REQUIRMENTS

1. <u>Limited English Proficiency ("LEP")</u>

Title VI of the Civil Rights Act of 1964 ("Title VI") is the federal law which protects individuals from discrimination on the basis of their race, color, or national origin in programs that receive federal financial assistance. In addition to Title VI, *Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons* was established on January 22, 2007, as required by Executive Order 13166 ("EO 13166"). EO 13166 requires for Guidance to be published to clarify recipients' obligations to LEP persons. LEP persons are persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter.

The PRO Housing funds will be used to help in the financing of multifamily newly constructed or rehabilitated affordable housing for low- and moderate-income people. The Fund does not intend to offer any direct services to individuals. Its primary audience for this application will be developers of multifamily housing. The Fund has been working with developers for over 30 years in other multifamily programs, including Treasury's Low-Income Housing Tax Credit Program ("LIHTCP"), HUD's HOME Investment Partnership Program ("HOME") and the Housing Trust Fund Program ("HTF"), and the Fund's Leveraged Loan Program. During this time, there has been no encounter or request from any individual stating that they were unable to speak, read, write, or understand English. If advanced notice is received, special accommodation and language assistance for persons with LEP will be made available.

2. Physical Accessibility

The Fund's intent to submit an application for the PRO Housing was noticed on September 26, 2024 for public hearing via the *Charleston Gazette-Mail*, a newspaper with state-wide circulation, the *State Register*, the Fund's social media platforms, and to the Fund's multifamily email list serves. The multifamily list serves include email addresses of community housing development organizations whose service areas are regional areas dispersed throughout the State and who are involved with the target population (low- to moderate-income individuals and families).

The draft application will be available for public comment from Thursday, September 26 through Friday, October 11, 2024 at 4:30 p.m. EST when the review and comment period ends. The application, including table of contents, narrative exhibits, and any optional attachments, is available for public review on the Fund's website at www.wvhdf.com or by contacting the Fund at 1-800-933-9843. We encourage all interested parties to participate and provide feedback. Written comments may be submitted via email at prohousing_comments@wvhdf.com or by mail to the West Virginia Housing Development Fund, Attention: Legal Dept., 5710 MacCorkle Avenue SE, Charleston, West Virginia 25304 and must be received prior to the end of the comment period.

A public hearing will be held on Monday, October 7, 2024, at 11 a.m. to gather feedback on the Fund's proposed application. Any interested party may attend in person at the Fund's office location, 5710 MacCorkle Ave SE, Charleston, West Virginia, or participate by toll-free call at Telephone #: 800-804-5051, Conference #: 8722267, PIN: 5348. The facility is physically accessible to persons with disabilities. If necessary, communications during the public meetings will be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities, or provide other means of accommodation for persons with disabilities consistent with section 504 of the Rehabilitation Act of 1973 and HUD's section 504 regulations. Please contact the Fund should you have any questions regarding the public hearing or need any special accommodation.

A summary by topic of all comments or views received on the application, a list of commenters by name or organization, and a summary of any comments or views not accepted and the reasons why will be provided when the PRO Housing application is submitted to HUD.

3. Environmental Review

The Fund will comply with applicable environmental requirements related to any awarded funds received. This includes complying with environmental justice requirements as set forth in HUD's regulations at 24 CFR parts 50 and 58, which implement the policies of the National Environmental Policy Act ("NEPA") and other environmental requirements. The Fund has been designated the Responsible Entity as defined by 24 CFR part 58.2(a)(7) and has been completing environmental reviews for West Virginia's HOME Program for over 30 years. For each activity funded under this NOFO, the Fund will review to determine whether the activity is exempt or categorically excluded from NEPA and other environmental review requirements or requires further environmental review. The Fund will not commit or expend HUD or non-HUD funds for activities under this NOFO, until the environmental review procedures required by 24 CFR part 58 and the environmental certification have been completed and the Request for Release of Funds ("RROF") has been approved by HUD. The Fund understands that HUD will not release grant funds if the Fund or any other party takes choice limiting actions or commits grant funds (i.e., incurs any costs or expenditures to be paid or reimbursed with such funds) before submitting and receiving HUD approval of the RROF (where such submission is required).

Exhibit C

Need

West Virginia Housing Development Fund

NEED

i.) Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations.

a. Improved laws, regulations, or land use local policies

1. The BUILD WV Act (the "Act") was passed by the West Virginia legislature in 2022 to attract much-needed housing development properties in the state. The Act provides incentives to developers to offset building costs, a key barrier to the development of affordable housing production. The Act provides the following incentives for approved BUILD WV Projects:

A. Sales Tax Exemption – Purchases of building materials, tangible personal property, and services by a contractor or subcontractor directly used in the construction of a certified BUILD WV project are exempt from consumer sales and service tax.

B. Property Value Adjustment Credit ("PVAC") – PVAC credit can be taken against personal or corporate income tax of the eligible taxpayer, beginning in the tax year in which construction of the property is completed and ending in the 10th taxable year thereafter. This tax credit is refundable, up to $100,000 per project.

C. Potential for B&O Tax Exemption

2. In 2021, the West Virginia legislature passed the Dilapidated Properties Program ("DLAP"), to help address dilapidated properties, which is a key barrier to the production and preservation of affordable housing. The program was funded with $30 million of Coronavirus State Fiscal Recovery Funds and can be used for activities such as title work, asbestos testing, asbestos abatement, demolition, and solid waste disposal. As stated on the West Virginia Department of Environmental Protection's website, "Dilapidated properties can have far-reaching consequences, encompassing environmental hazards, crime, and economic decline. Moreover, they significantly impact property values and tend to disproportionately burden low-income communities of color." DLAP addresses dilapidated properties, which helps remove a key barrier of affordable housing development.

b. Other recent actions taken to overcome barriers to facilitate the increase of affordable housing production and preservation

The Low-Income Housing Tax Credit Program ("LIHTCP") is the biggest tool for the creation and preservation of affordable housing in West Virginia (the "State"). Fund staff structures the LIHTCP to address policy changes and housing strategies. The Fund's LIHTCP serves households at or below 60% of the Area Median Income ("AMI"), with preference criteria scoring for properties which commit to serve tenants at or below 50% AMI or 40% AMI. Therefore, our proposal ensures that 100% of the units produced or preserved will benefit Low- and Moderate-Income ("LMI") households. Several key barriers have been identified by the Fund, and efforts to address those identified key barriers have been incorporated programmatically into the LIHTCP either as scoring criteria or minimum requirements. The key barriers and the efforts by the Fund to address those barriers are outlined below:

1. Removing barriers which perpetuate segregation; Inhibit access to well-resourced areas of opportunity; Concentration of affordable housing in under-resourced areas; Lack of neighborhood amenities –
    - Through scoring incentives, the LIHTCP encourages the placement of properties in High Opportunity Areas. The scoring criteria award higher points for the following:
        - For census tracts with a higher percentage of Owner-Occupied Units
        - For census tracts with a lower percentage of Overcrowded Units
        - For census tracts with a lower percentage of the Population Below the Poverty Level
        - For census tracts with a lower percentage of Households Receiving Food Stamps/SNAP
        - For census tracts with a lower percentage of Unemployment
        - For census tracts with a higher percentage of the Population with an Educational Attainment of a Bachelor's Degree or Higher
    - Through scoring incentives, the LIHTCP encourages development of properties in locations (1) within proximity of public transportation, (2) within school districts with higher performing schools (for non-senior properties), and (3) within proximity to senior amenities (for senior properties) including, but not limited to, grocery stores, medical facilities, and public recreation.

2. Neighborhood opposition to new or affordable housing –
    - The Fund is an equal opportunity housing provider and, therefore, will not consider any comments that object to a property development in violation of the Fair Housing Act or any other applicable federal law.
    - In 2011, despite vocal opposition, to avoid disparate impact of protected classes, the Fund eliminated a long-standing minimum requirement that a developer receive a letter of either unqualified support or no opposition from the chief executive officer of the local jurisdiction.

3. Challenges to preserving existing housing stock; Aging housing stock; Strengthening environmental justice –
    - The Fund's LIHTCP encourages preservation of properties in most need of rehabilitation through the Existing Housing in Most Need of and Most Suitable for Rehabilitation scoring criterion. The Fund ranks all pre-registered existing low-income properties based upon a visit and physical inspection (of the buildings, units, common areas, and site) performed by the Fund's construction professionals during the pre-registration period. This encourages applicants to only provide a

complete application on properties which have been ranked in most need of rehabilitation.
- Application requirements include submission of a Capital Needs Assessment at initial application to determine the level of rehabilitation needed for a property.
- If a property is selected, a Phase I Environmental Site Assessment is required to be obtained and submitted to the Fund. Each selection is conditioned upon the review and approval by the Fund of the selected property's plans to remediate all environmental issues associated with the property including, but not limited to, any issues identified as a result of the Fund's construction professional's site suitability review. Additionally, asbestos and lead-based paint testing must be completed prior to construction. All environmental issues associated with the selected property must be remediated to a standard acceptable to the Fund.

4. Expiration of affordability requirements; Expiring affordability –
    - The Fund's LIHTCP encourages preservation of properties in danger of expiration of affordability requirements and loss of project-based subsidy by including the following two scoring criteria – (1) Expiring LIHTCP Extended Use Period and (2) Maturing Mortgage with Expiring Project-Based Rental Assistance.

5. Cost burden; Rent overburden –
    - To avoid producing units which might automatically result in rent-overburdened households, the Fund's LIHTCP requires that unit demand calculations in the market study for the proposed property be based upon the proposed rent structure which would be considered affordable at 30% of the household's income. This results in rents being initially set at lower levels than would be set otherwise.
    - Through scoring incentives, the LIHTCP encourages the placement of affordable properties in areas which evidence a need for affordable units by awarding higher points for counties with more Rent-Overburdened Households (paying in excess of 30% of income).

6. Gaps in financing –
    - The PRO Housing funds will be used either as (1) zero percent interest construction financing or as (2) low to zero percent interest permanent financing gap filler, the need for which has been exacerbated by increasing construction costs, interest rates, and insurance.
    - Not only will the PRO Housing funds result in immediate gap financing for the 2025 properties, but due to the LIHTCP requirement that federal funds be structured as a loan, any debt service payments received will be used to create a revolving fund which will be used to provide gap financing for LIHTCP properties applying in future rounds.

7. Facilitating collaboration with community members and other stakeholders –
    - The LIHTCP Allocation Plan, which details the selection and preference criteria used to select properties, was subjected to public hearing. Also, before drafting the Allocation Plan, the Fund contacted stakeholders requesting input for recommendations to the Allocation Plan.

8. Fair housing requirements –
    - Related to design standards for LIHTCP properties, the Fund requires as a minimum acceptance requirement that the Property Contractor and the Property Architect must attend and complete a Fair Housing and Americans with Disabilities Act training addressing design and construction requirements.
    - Additionally, for each selected property, the Fund's LIHTCP requires the submission of an Affirmative Fair Housing Marketing Plan for the property, which must be reviewed and approved by the Fund.

9. Addressing underserved communities –
    - The LIHTCP's Property Location and Housing Needs Characteristics scoring criteria awards higher points for the following:
        - For counties with a lower percentage of LIHTCP Production
        - For counties with lower Median Incomes
        - For counties with more Rent-Overburdened Households (paying more than 30% of income on rent)
    - Also, the Fund engaged in a Statewide Housing Needs Assessment, which provided data enabling the ranking of counties based on un-met housing need. The LIHTCP awards higher points for counties with higher Un-Met Housing Need based on the Statewide Housing Needs Assessment, updated about every five years.

In addition to policy changes made through the LIHTCP, the Fund met certain thresholds during its administration of the second Emergency Rental Assistance program ("ERA2") that allowed the Fund to direct $38 million of its ERA2 allocation to the construction, rehabilitation, or preservation of affordable rental housing properties serving very low-income households. These funds have been paired with our LIHTCP or HOME Investment Partnership Program ("HOME") funds and have been used to address the following:

1. Preservation of affordable housing. Over $25 million of ERA2 funds are committed to the preservation of existing affordable housing. This will result in the rehabilitation and continuing affordability of over 400 units for at least the next 30 years.
2. Gaps in financing. Over $10 million of ERA2 funds are committed as a soft source of financing to LIHTC projects to fill financing gaps created by increasing development costs over the past few years.

ii) Acute need for affordable housing.

The Fund's proposal for this grant is prioritizing properties located in the twenty-one (21) counties listed in the PRO Housing List of Priority Geographies. Preference will be given to properties located in counties which fulfill at least two of the three noted measures (Affordable housing not keeping pace, Insufficient affordable housing, and Widespread housing cost burden and substandard housing). Those counties are Berkeley, Morgan, and Wetzel. The Fund's LIHTCP serves households at or below 60% of the Area Median Income ("AMI"), with preference criteria scoring for properties which commit to serve tenants at or below 50% AMI or 40% AMI. Therefore, our proposal ensures that 100% of the units produced or preserved will benefit LMI households.

[Reserved - Housing Needs Assessment Data]

iii) What key barriers still exist?

In addition to the key barriers listed in i) above, the following additional barriers exist:

- Costs – Increasing land, development, and operational costs are a key barrier to the development and preservation of affordable housing. The current cost climate is particularly challenging in small, rural areas present throughout the State. These areas are generally only able to support small properties, which have a higher development cost per unit when compared to larger properties, often resulting in large financing gaps.
- Availability of financing and subsidies for affordable housing – As mentioned above, the current cost climate has created large financing gaps that cannot be addressed with traditional financing methods. This puts a lot of pressure on soft sources of financing such as the HOME and the Housing Trust Fund ("HTF") programs. As a small state, West Virginia receives the minimum allocation for these programs annually, which is not sufficient to fill the financing gaps of projects in the Fund's pipeline.

The Fund's PRO Housing Program will help address the above-mentioned barriers.

Exhibit D

Soundness of Approach

West Virginia Housing Development Fund

SOUNDNESS OF APPROACH

i.) What is our vision?

The West Virginia Housing Development Fund (the "Fund") is requesting $7,000,000 in funds from the HUD Pathways to Removing Obstacles to Housing ("PRO Housing") Program. These funds would be used in a combination of the following ways to newly construct or rehabilitate affordable housing for low- and moderate-income people:

- zero percent interest construction financing, and
- low to zero percent interest permanent financing gap filler.

The funds would solely be awarded to properties located in the twenty-one (21) counties in West Virginia (the "State") listed in the PRO Housing List of Priority Geographies.

Proposed Activities

The Low-Income Housing Tax Credit Program ("LIHTCP") administered by the Fund is an excellent vehicle to deploy the requested funds. Due to the pre-existence of the LIHTCP and the Fund's multifamily lending products, which include other federal funds such as the HOME Investment Partnership Program ("HOME") and the Housing Trust Fund Program ("HTF"), the Fund has staff already in place to deploy the requested funds. Additionally, the LIHTCP has selection criteria in place which attempt to address the barriers outlined in the Need section. The proposed use of PRO Housing funds as construction financing and/or permanent gap filler for LIHTCP properties will meet the **CDBG national objective of benefiting low- and moderate-income ("LMI") persons** as the Fund's LIHTCP serves households at or below 60% of the Area Median Income ("AMI"), with preference criteria scoring for properties which commit to serve tenants at or below 50% AMI or 40% AMI. Therefore, our proposal ensures that 100% of the units produced or preserved will benefit LMI individuals. The proposed activity will facilitate affordable housing production and preservation through the following **eligible activities:**

- **Development Activities**
  - financing the construction or rehabilitation of affordable housing, and
  - facilitating the conversion of commercial or other properties to new housing a.k.a. "adaptive re-use"
- **Preservation Activities**
  - establishing loan programs with affordability requirements for rehabilitation of existing affordable housing units, and
  - establishing an affordable housing preservation seed fund.

The PRO Housing funds would be awarded to properties applying to the Fund's LIHTCP in the May 2025 round, with all monies expended by the end of 2027.

How Our Proposal Addresses Key Barriers to Affordable Housing Production and Preservation

Several key barriers have been identified by the Fund and efforts to address those barriers have been incorporated programmatically into the LIHTCP either as scoring criteria or minimum requirements. The key barriers and the efforts by the Fund to address those barriers are outlined below:

1. Removing barriers which perpetuate segregation; Inhibit access to well-resourced areas of opportunity; Concentration of affordable housing in under-resourced areas; Lack of neighborhood amenities –
   - Through scoring incentives, the LIHTCP encourages the placement of properties in High Opportunity Areas. The scoring criteria award higher points for the following:
     - For census tracts with a higher percentage of Owner-Occupied Units
     - For census tracts with a lower percentage of Overcrowded Units
     - For census tracts with a lower percentage of the Population Below the Poverty Level
     - For census tracts with a lower percentage of Households Receiving Food Stamps/SNAP
     - For census tracts with a lower percentage of Unemployment
     - For census tracts with a higher percentage of the Population with an Educational Attainment of a Bachelor's Degree or Higher
   - Through scoring incentives, the LIHTCP encourages development of properties in locations (1) within proximity of public transportation, (2) within school districts with higher performing schools (for non-senior properties), and (3) within proximity to senior amenities (for senior properties) including, but not limited to, grocery stores, medical facilities, and public recreation.

2. Neighborhood opposition to new or affordable housing –
   - The Fund is an equal opportunity housing provider and, therefore, will not consider any comments that object to a property development in violation of the Fair Housing Act or any other applicable federal law.
   - In 2011, despite vocal opposition, to avoid disparate impact of protected classes, the Fund eliminated a long-standing minimum requirement that a developer receive a letter of either unqualified support or no opposition from the chief executive officer of the local jurisdiction.

3. Challenges to preserving existing housing stock; Aging housing stock; Strengthening environmental justice –
   - The Fund's LIHTCP encourages preservation of properties in most need of rehabilitation through the Existing Housing in Most Need of and Most Suitable for Rehabilitation scoring criterion. The Fund ranks all pre-registered existing low-income properties based upon a visit and physical inspection (of the buildings, units, common areas, and site) performed by the Fund's construction professionals during the pre-registration period. This encourages applicants to only provide a

complete application on properties which have been ranked in most need of rehabilitation.

- Application requirements include submission of a Capital Needs Assessment at initial application to determine the level of rehabilitation needed for a property.
- If a property is selected, a Phase I Environmental Site Assessment is required to be obtained and submitted to the Fund. Each selection is conditioned upon the review and approval by the Fund of the selected property's plans to remediate all environmental issues associated with the property including, but not limited to, any issues identified as a result of the Fund's construction professional's site suitability review. Additionally, asbestos and lead-based paint testing must be completed prior to construction. All environmental issues associated with the selected property must be remediated to a standard acceptable to the Fund.

4. Expiration of affordability requirements; Expiring affordability –
   - The Fund's LIHTCP encourages preservation of properties in danger of expiration of affordability requirements and loss of project-based subsidy by including the following two scoring criteria – (1) Expiring LIHTCP Extended Use Period and (2) Maturing Mortgage with Expiring Project-Based Rental Assistance.

5. Cost burden; Rent overburden –
   - To avoid producing units which might automatically result in rent-overburdened households, the Fund's LIHTCP requires that unit demand calculations in the market study for the proposed property be based upon the proposed rent structure which would be considered affordable at 30% of the household's income. This results in rents being initially set at lower levels than would be set otherwise.
   - Through scoring incentives, the LIHTCP encourages the placement of affordable properties in areas which evidence a need for affordable units by awarding higher points for counties with more Rent-Overburdened Households (paying in excess of 30% of income).

6. Gaps in financing –
   - The PRO Housing funds will be used either as (1) zero percent interest construction financing or as (2) low to zero percent interest permanent financing gap filler, the need for which has been exacerbated by increasing construction costs, interest rates, and insurance.
   - Not only will the PRO Housing funds result in immediate gap financing for the 2025 properties, but due to the LIHTCP requirement that federal funds be structured as a loan, any debt service payments received will be used to create a revolving fund which will be used to provide gap financing for LIHTCP properties applying in future rounds.

7. Facilitating collaboration with community members and other stakeholders –
    - The LIHTCP Allocation Plan, which details the selection and preference criteria used to select properties, was subjected to public hearing. Also, before drafting the Allocation Plan, the Fund contacted stakeholders requesting input for recommendations to the Allocation Plan.

8. Fair housing requirements –
    - Related to design standards for LIHTCP properties, the Fund requires as a minimum acceptance requirement that the Property Contractor and the Property Architect must attend and complete a Fair Housing and Americans with Disabilities Act training addressing design and construction requirements.
    - Additionally, for each selected property, the Fund's LIHTCP requires the submission of an Affirmative Fair Housing Marketing Plan for the property, which must be reviewed and approved by the Fund.

9. Addressing underserved communities –
    - The LIHTCP's Property Location and Housing Needs Characteristics scoring criteria awards higher points for the following:
        - For counties with a lower percentage of LIHTCP Production
        - For counties with lower Median Incomes
        - For counties with more Rent-Overburdened Households (paying more than 30% of income on rent)
    - Also, the Fund engaged in a Statewide Housing Needs Assessment, which provided data enabling the ranking of counties based on un-met housing need. The LIHTCP awards higher points for counties with higher Un-Met Housing Need based on the Statewide Housing Needs Assessment, updated about every five years.

<u>How Our Proposal Compares to Similar Efforts and the Lessons Learned Which Have Shaped Our Proposal</u>

The Fund has administered federal funds such as HOME, HTF, Community Development Block Grant Disaster Recovery, Neighborhood Stabilization Program, Tax Credit Assistance Program, Tax Credit Exchange Program, and Emergency Rental Assistance 2 funds. Over the years of administering these funds, the Fund has become nimbler and wiser in the administration and utilization of such funds.

The Fund's proposal to use program funds to fill financing gaps in the creation/preservation of affordable housing is directly in line with how the Fund currently administers the HOME and HTF programs. As a result, administering the proposed funds will be a natural exercise, as staff will be able to rely on lessons learned from the administration of the HOME and HTF programs.

How Our Proposal Advances or Complements Existing Planning Initiatives in the State

The Fund's LIHTCP scoring criteria include (1) a selection scoring criterion for Existing Housing which fulfills the specific goals of a Concerted Community Revitalization Plan and (2) a preference scoring criterion for properties located in Qualified Census Tracts which fulfill the specific goals of a Concerted Community Revitalization Plan. The Fund defines a Concerted Community Revitalization Plan ("CRP") as a formal plan which is geographically specific and provides a clear direction for implementation and includes a strategy for obtaining commitments of public and private investment in non-housing infrastructure, amenities, or services beyond the proposed property. A CRP also demonstrates the need for revitalization such as setting goals for outcomes, identifying barriers to implementation, establishing timelines and benchmarks, and identifying community partners, and includes multiple aspects of revitalizing a community. The CRP must be approved by the appropriate governing body of the local jurisdiction which would be either the city council or comparable governing body of a municipality, or the county commission or comparable governing body of a county, or a community development authority established in accordance with State law, or a regional planning and development council established in accordance with State law.

Significant Environmental Risks and How Our Proposal is Aligned with Them to Promote Community Resilience

To incentivize energy efficiency and advance sustainable communities, the Fund's LIHTCP awards points (1) for various energy efficiency measures incorporated into the design of a property and (2) for Green Building Training for Residential Housing for either the Property Contractor or a principal of the developer of the property. As stated above, all selected properties are required to obtain and submit a Phase I Environmental Site Assessment to the Fund, and address, to the Fund's satisfaction, all the environmental issues related to the property. Also, the Property Architect must assess green and sustainable features to be incorporated into the new construction or rehabilitation of the buildings and site for the property.

The Fund's LIHTCP requires, among other codes and regulations, that each property be constructed or rehabilitated in compliance with the applicable local floodplain ordinance and the U.S. Environmental Protection Agency's National Pollutant Discharge Elimination System Permit and State Department of Environmental Protection Water Quality Requirements.

Further, the Property Architect must assess the property's geographic site features, including, but not limited to location within the 100-year floodplain or other flood issues, high tension wires, within 300 feet of railroad tracks, or other potential noise generators such as major highways or airports. Only in limited circumstances will flood mitigation be permitted for new construction properties. For all properties involving new construction located within the 100-year floodplain, all new improvements must be at least two feet above the 100-year floodplain. The Fund reserves the right to reject any property which it rates as "poor" which may be caused by site location with flood issues, proximity to railroad tracks, highways, airports, etc., that prohibit the reduction of interior and/or exterior noise to an acceptable level, or any other naturally occurring or man-made hazards, posing health or safety risks to tenants.

The Fund's LIHTCP contains a scoring criterion for new supply properties where at least 30% of the post-construction usable site will provide reachable green space.

Roadblocks Which Might Impede Our Proposal's Implementation

A roadblock that may impede the implementation of the Fund's proposal is learning the approval processes of the various funding sources included in a project. The funding sources have different requirements and must be factored into the overall timing of a project to keep all parties moving forward towards a reasonable closing date (e.g. Housing Assistance Payments contracts, USDA538/515 approvals, HOME environmental, Subsidy Layering Review approvals, etc.)

As stated earlier, the LIHTCP is an excellent vehicle for the deployment of PRO Housing funds due to the Fund's experience with combining other federal funds with the LIHTCP.

To further avoid this possible roadblock, the LIHTCP Allocation Plan was updated to include programmatic requirements of other programs (e.g. appraisal requirements, environmental submissions, cash flow payment requirements, etc.) so that an initial application is more complete when received. The developer is therefore aware of the additional requirements and the Fund is aware of the various funding sources and can begin to plan accordingly.

Prior roadblocks encountered during the employment of federal funds have shaped the Fund's processes to avoid those roadblocks in the future, while still fulfilling all the federal cross-cutting regulations required by such funds. The Fund is continually streamlining processes to encourage nimbleness in the housing industry where time indeed is money.

ii.) What is our geographic scope?

The geographic scope of the Fund's proposal is the State. However, first preference will be given to properties located in counties listed in the PRO Housing List of Priority Geographies which fulfill at least two of the three noted measures - Affordable housing not keeping pace, Insufficient affordable housing, and Widespread housing cost burden and substandard Housing (Priority Preference Counties). Those three (3) counties are Berkeley, Morgan, and Wetzel. The next preference is for properties in the remaining eighteen (18) counties listed in the PRO Housing List of Priority Geographies (Priority Counties). If there are not adequate requests received in the Priority Preference Counties and Priority Counties, the Fund will award PRO Housing funds to any other county (Balance of State Counties). A map of the three defined areas is attached to this proposal as the last page of this Exhibit.

Further, the Fund engaged in a Statewide Housing Needs Assessment, which provided data enabling the ranking of counties based on un-met housing need, among other categories. The

LIHTCP awards higher points for counties with higher Un-Met Housing Need based on the assessment. Other data can and will be reviewed when necessary to determine which properties are best suited for funding. Approximately every five years the Statewide Housing Needs Assessment is updated to the most current data available.

iii.) Who are our key stakeholders and how are we engaging them?

Ultimately the key stakeholders for our proposal are the residents of each community who would most benefit from safe, decent, affordable housing, who presently lack housing choices, or may be experiencing rent overburden and/or are living in substandard housing. However, the housing is not able to be constructed or rehabilitated without a major stakeholder, the development community (current and proposed) who apply for the Fund's LIHTCP.

The LIHTCP Allocation Plan details the selection and preference criteria used to select properties. During the drafting phase, Stakeholders are contacted requesting their input. Once completed, the plan is then subject to public hearing and noticed via the *Charleston Gazette-Mail*, a newspaper with state-wide circulation, the *State Register*, the Fund's social media platforms, and to the Fund's multifamily email list serves. All recommendations and comments are then reviewed and incorporated if reasonable.

iv.) How does our proposal align with requirements to affirmatively further fair housing?

The State is committed to affirmatively furthering fair housing. Our proposal will affirmatively further fair housing by attempting to eliminate key barriers to the development of housing (i.e. in well-resourced areas of opportunity, promoting desegregation, protected classes), specifically multifamily residential rental housing which serves households at or below 60% AMI. This is partially accomplished through the awarding of points in High Opportunity Areas as well as scoring criterion which assists areas with the most need of this type of housing. These are in addition to the scoring and acceptance items listed in section i. above. Additionally, the Fund's LIHTCP ensures that each selected property will have an approved Affirmative Fair Housing Marketing Plan.

The LIHTCP encourages targeting for occupancy for specific tenant populations, such as handicapped, disabled, large families, and single parent families. This is accomplished through awarding points for targeting one or more of the tenant populations. Additionally, the LIHTCP requires that the units in the property be designed and suitable for the targeted occupancy populations.

Regarding displacement, the Fund's LIHTCP requires that the market study include information as to whether tenants will be relocated (off-site) during the rehabilitation, the duration of such relocations, and the impact on the occupancy of the property post-rehab. Additionally, for properties financed with federal funds (such as HOME and HTF) the Fund requires the submission of a detailed relocation plan describing the way the temporary and permanent displacements of tenants will be handled. Adequate costs associated with relocation are required to be included in the property's budget.

Related to design standards for LIHTCP properties, the Fund requires as a minimum acceptance requirement that the Property Contractor and the Property Architect must attend and complete a Fair Housing and Americans with Disabilities Act training addressing design and construction requirements.
Regarding public input, the LIHTCP Allocation Plan, which details the selection and preference criteria used to select properties, is subjected to public hearing, and during the draft phase the Fund solicits stakeholders input for recommendations to the Allocation Plan.

Regarding support of minority-owned business engagement, through points incentives, the LIHTCP encourages minority participation in property management and minority participation in property development.

Regarding affirmatively marketing the LIHTCP which is the proposed vehicle for the PRO Housing funds, the Fund's website includes information about the program and how a person can be signed up for the LIHTCP mailing list. Additionally, the Fund offers annual training on the LIHTCP and how to apply for credits and funding (including PRO Housing funds). Further, for individuals looking for affordable housing, the Fund's website includes an extensive list of available affordable housing in the State which can be sorted by occupancy type, county, and city.

v.) What are our budget and timeline proposals?

Targeted Funding for Development	**$7,000,000**
Construction/Permanent Gap Financing	$6,300,000
Program Administration by the Fund	$ 700,000

Timeline:

Anticipated application due date – May 30, 2025
Anticipated selections – August 15, 2025
Anticipated expenditures by December 31, 2027.

West Virginia Housing Development Fund PRO Housing Geographic Scope Map

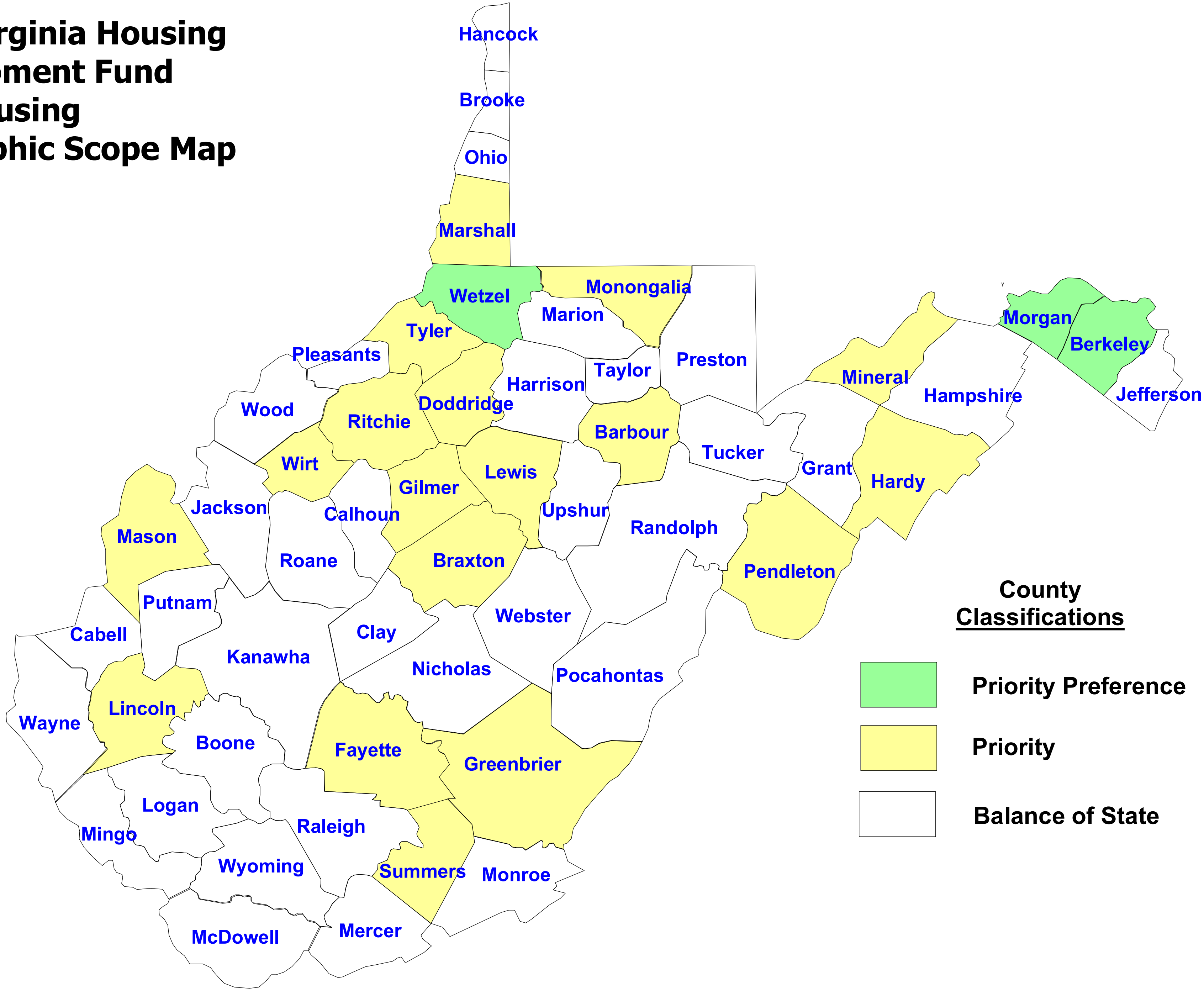


Exhibit E

Capacity

West Virginia Housing Development Fund

CAPACITY

The West Virginia Housing Development Fund (the "Fund") has the capacity to administer this grant utilizing its current infrastructure for Multifamily Lending Programs, which includes existing staff with experience in the requirements applicable to this grant. The Fund was created by the West Virginia Legislature in 1968, W. Va. Code 31-18-1, et seq., as an instrumentality of the State of West Virginia to provide safe, affordable housing for low to moderate income West Virginians. The Governor serves as Chairman of the Fund's Board of Directors and appoints four ex-officio members and seven members from the public. The Fund's Executive Director is appointed by the Governor and functions as the Chief Executive Officer.

The Fund has a robust Multifamily Department, consisting of nineteen (19) employees dedicated to affordable housing, and includes the following Multifamily Programs: Low-Income Housing Tax Credit Program ("LIHTCP"), HOME Investment Partnerships Program ("HOME"), National Housing Trust Fund Program ("HTF"), Multifamily Loan Program, Affordable Housing Fund Program, and the Federal Home Loan Bank Home 4 Good Program. The Fund has a longstanding history of partnering with developers to produce affordable housing units. In FY 2024, the Fund's Multifamily Lending Programs, excluding Home 4 Good, resulted in 104 loans statewide totaling $96,874,759 and 1,401 units across West Virginia.

West Virginia Housing Development Fund

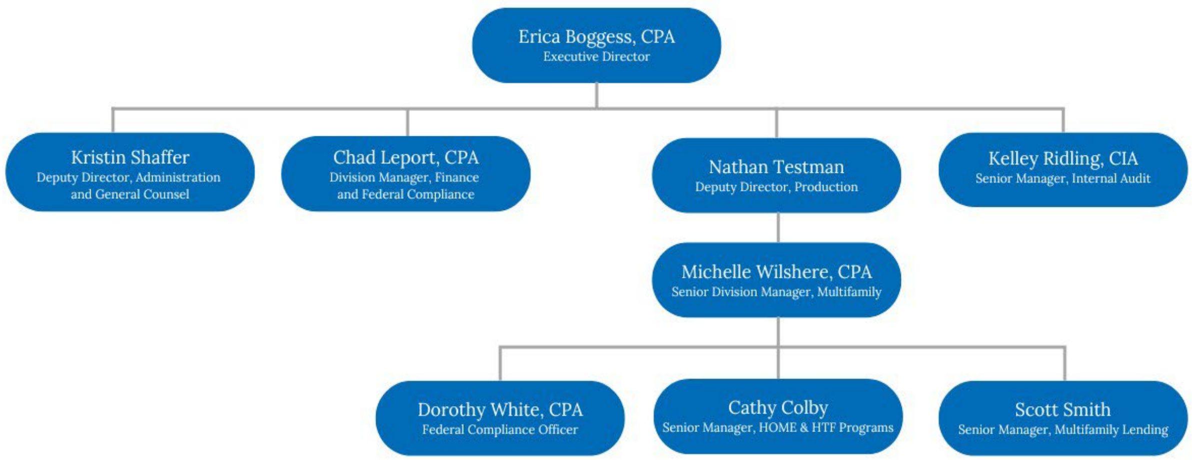
West Virginia Housing Development Fund
Multifamily Production, FY2024

	LIHTCP	HOME/CHDO HTF	Multifamily Loan Program	Affordable Housing Fund
Number of Loans/Grants	10	47	12	35
Unit Funded/ Individuals Served	310	306	654	131
Total Investment	$6,043,626	$6,669,100	$82,833,684	$1,328,349

The Fund partners with the Federal Home Loan Bank of Pittsburgh (FHLB) to administer the Home 4 Good Program, an initiative that provides a flexible source of funding for organizations working to address homelessness. Since 2018, FHLB has allocated $5,300,000 to this program in West Virginia, and the Fund has contributed matching funds in the amount of $1,500,000.

The proposed program would be administered similar to the Fund's existing HOME and HTF Programs. The Fund's Multifamily Management team will conduct the necessary outreach for the proposed grant program and oversee its development, implementation and administration. Job titles and a brief description of current staff roles are included below.

The Fund's organizational chart and key management staff for the proposed grant program are as follows:



- Deputy Director - Production, Nathan Testman: Ensure successful implementation and administration of the proposed program.
- Senior Division Manager - Multifamily, Michelle Wilshere: Responsible for overall implementation, administration and outreach for Multifamily programs.
- Federal Compliance Officer - Dorothy White: Oversees Section 8 Program and provides federal compliance support for the Fund's Multifamily programs.
- Senior Manager - Home and Housing Trust Fund Programs, Cathy Colby: Responsible for management and administration of HOME and HTF Programs.
- Senior Manager - Multifamily Lending, Scott Smith: Oversees all other Multifamily lending programs.
- Division Manager, Finance and Federal Compliance, Chad Leport: Oversees all aspects of accounting, including ensuring all financial reporting requirements are met.

The proposed grant program will be administered by the Fund's existing HOME and HTF Program staff, consisting of seven (7) staff members. These staff members have the required experience and capacity to administer the program alongside the HOME and HTF programs. In addition to their experience administering the HOME and HTF programs, the staff members below have experience with the Community Development Block Grant Disaster Recovery (CDBG-DR) program, as the

Fund was a subrecipient of CDBG-DR funds from the WV Department of Economic Development. Below are job titles and a brief description of staff's current roles.

- Senior Manager – HOME and HTF Programs: Responsible for the successful management and administration of the HOME and HTF Programs
- HOME and HTF Rental Programs Administrator: Extensively involved in all aspects of the HOME and HTF Programs
- HOME and HTF Program Specialist (2 employees): Assists with activities associated with the examination, review, processing, and closing of loans financed with HOME and HTF
- HOME and HTF Regulatory Specialist: Reviews/prepares documents to maintain compliance with cross-cutting regulations (Part 58 Environmental Reviews, Davis-Bacon, Section 3, Uniform Relocation Assistance)
- HOME and HTF Planning Assistant: Provides high level office administrative support

The Fund's Legal Department will prepare and review loan documents and review title and organizational documents. The Fund's Accounting Department will perform the final review of grant fund requests to ensure all required staff/management approvals have been received prior to requesting funds from HUD. Once received, accounting will disburse the grant funds to the developer. The Fund's Internal Audit Department will conduct required audits having extensive experience auditing federal programs, including the HOME and HTF programs, CDBG-DR and Section 8. With the Fund's current staff and previous experience, the Fund possesses the quality assurance, financial, and internal control capacity to successfully implement the proposed program.

No outside consultant was used in the submission of this application. The Fund assembled the following internal team to draft and compile the application.

- Deputy Director – Production, Nathan Testman
- Deputy Director – Administration and General Counsel – Kristin Shaffer
- Senior Division Manager – Multifamily, Michelle Wilshere
- Senior Manager – HOME and HTF Programs, Cathy Colby
- Federal Compliance Officer, Dorothy White
- Senior Legal Counsel – Alicia Massie
- Legal Counsel – Antonia Francis

The Fund is committed to affirmatively furthering fair housing. The Fund maintains an Affirmative Fair Housing Marketing Plan and requires all entities receiving funding for LIHTCP, HOME, and HTF programs to maintain an Affirmative Fair Housing Marketing Plan. As part of the funding process for these programs, the Fund reviews and approves a copy of the Affirmative Fair Housing Marketing Plan for each entity.

The Fund is an equal opportunity housing provider and will not consider any comments that object to a property development in violation of the Fair Housing Act or any other applicable federal law. The Fund also requires the Property Contractor and Architect on LIHTCP properties to attend and complete Fair Housing and Americans with Disabilities Act training addressing design and construction requirements.

The Fund will broadly conduct outreach and marketing for the proposed award if selected. As the state housing finance agency, the Fund maintains frequent communication with affordable housing developers, periodically conducts nonprofit community housing development organization meetings, and is involved with other affordable housing entities to promote awareness of funding, developments, and projects to a variety of demographic groups.

Exhibit F

Leverage

West Virginia Housing Development Fund

LEVERAGE

The Fund finances the construction of new affordable rental units and rehabilitation of existing units. This is accomplished through complex financing packages utilizing multiple sources of funding including low-income housing tax credits, HOME Investment Partnerships Program ("HOME") and National Housing Trust Funds (HTF) as well as the Fund's Multifamily Lending Program (e "MLP"). The MLP is funded from the Fund's general revenues and is subject to the Fund's authorizing legislation and parameters set by the Board of Directors. MLP funds provide both construction and/or permanent financing of rental units at rates and terms not otherwise available from private lenders, typically in the form of reduced interest rates.

Increasing land, development, and operational costs are a key barrier to the development and preservation of affordable housing. The current cost climate is particularly challenging in small, rural areas present throughout West Virginia. These areas are generally only able to support small properties, which have a higher development cost per unit when compared to larger projects, often resulting in large financing gaps. These financing gaps are unable to be addressed with traditional financing methods, which puts tremendous pressure on soft sources of financing such as the HOME and HTF programs. As a small state, West Virginia receives the minimum allocation for these programs annually, which is not sufficient to fill the financing gaps of projects in the Fund's pipeline.

The Fund's proposal to use PRO Housing funds will help address the financing gaps to create and preserve affordable housing units in West Virginia. To further those efforts, the Fund proposes to provide matching (leverage) funds as follows:

1. Commitment of MLP funds in the amount of $3,125,000 to provide:
   a. Construction/rehabilitation loan financing at 0%
   b. Permanent loan financing at below market rates. The interest rate will be equal to the Wall Street Journal Prime Rate minus 2.0% at the time of closing with an interest rate collar (floor of 3% and cap of 5%).

2. Commitment of $375,000 to provide forgivable loans as a gap filler. The loan(s) would be interest free and forgiven if the project(s) remain in compliance through the affordability period (proposed affordability period for all PRO Housing and matching funds will mirror HOME affordability periods).

At the September 25, 2024, meeting the Fund's Board of Directors approved the leverage commitment described above and authorized its Executive Director to issue the required commitment letter.

Exhibit G

Long-term Effect

West Virginia Housing Development Fund

LONG-TERM EFFECT

The proposed grant activities request funding for the development and preservation of affordable housing, which will successfully address and remove barriers. Specifically, the long-term effects of the proposal will be:

- The creation of a PRO Housing loan source dedicated for construction financing and/or permanent gap filler for properties, located in the List of Priority Geographies, will meet the CDBG national objective of benefiting low- and moderate-income persons. The PRO Housing funds will be a soft financing source, enabling projects to transition from vision to fiscal reality. The PRO Housing loans would be structured as true debt, with amortized or cash-flow dependent payments. The payments would create a revolving loan fund ensuring the continuance of financially viable affordable housing in the List of Priority Geographies into the future.

- The PRO Housing award would remove the barrier of affordable housing financing gaps, which in turn would remove the following barriers: (a) perpetuating segregation/inhibiting access to well-resourced areas of opportunity/concentration of affordable housing in under-resourced areas/lack of neighborhood amenities; (b) neighborhood opposition to new or affordable housing; (c) challenges to preserving existing housing stock/aging housing stock/strengthening environmental justice; (d) existing properties with expiring of affordability requirements (avoidance of gentrification); and (e) cost burden/rent overburden.

The successful removal of barriers will be evidenced by (a) incentivizing the development of properties in High Opportunity Areas; (b) the West Virginia Housing Development Fund's (the "Fund's") commitment to equal opportunity housing and compliance with the Fair Housing Act; (c and d) providing soft funds for substantial rehabilitation, which will preserve existing/aging stock and extend affordability requirements; and (e) the proposed soft financing results in a direct relationship between decreased debt service and lower rents.

In addition, the PRO Housing award will result in:

- More resilient housing: With the availability of zero to low percent interest soft funds, budget bandwidth is created, and developers can incorporate resiliency into the property's plans and specifications.

- Sustained production: It is initially estimated that up to four (4) properties will benefit from the award. As noted above, the PRO Housing award will become a revolving loan fund. It is projected that every five (5) years after receipt of the award, up to four (4) properties will benefit from the PRO Housing revolving loan fund. The type of loan (construction or permanent) and the loan amount will determine the number of properties benefiting from the award. The availability of a PRO Housing revolving loan fund will result in completed properties and sustained production.

The Fund is the state's housing finance agency and recognized by HUD as the Participating Jurisdiction. The Fund is a willing partner with other state agencies and HOME consortia who are searching to structure their housing programs. In the past, the Fund's programs, including revolving loan programs, were scaled and replicated to meet the needs of the agency/consortium.

As a recipient of the PRO Housing award, the Fund would anticipate awarding PRO Housing funds to properties in August 2025, commitments occurring late 2027, and the funds revolving for another set of properties in August 2030. The period of performance would be approximately five (5) years and success would be up to four (4) properties receiving PRO Housing funding every five (5) year cycle. The average property would conservatively have thirty-two (32) units. Consequently, the PRO Housing funds are estimated to be involved in the development of up to 128 affordable housing units every five (5) years.

Attachment A

Summary of Comments Received on Published Application and List of Commenters by Name/Organization

West Virginia Housing Development Fund

A summary of comments received on the Fund's draft application and list of commenters by name and organization will be provided at the end of the comment period.

Attachment B

Certification of Compliance with NOFO Public Participation Requirements

West Virginia Housing Development Fund

CERTIFICATION OF COMPLIANCE WITH NOFO PUBLIC PARTICIPATION REQUIREMENTS

The Fund is in full compliance with the PRO Housing streamlined public participation requirements found in Section VI.E of the PRO Housing NOFO.

Notice for the proposed grant application public hearing will be published in the *Charleston Gazette-Mail*, a newspaper with state-wide circulation, the *State Register*, the Fund's social media platforms, and to the Fund's multifamily email list serves. The multifamily list serve includes email addresses of community housing development organizations whose service areas are regionally dispersed throughout the State.

The Notice of Public Comment Period and Public Hearing ("Notice"), Affidavit of Publication for the *Charleston-Gazette-Mail,* and a date and time stamped copy of the Notice to the West Virginia Secretary of State's Office for the *State Register* will be provided following the comment period.

Attachment C

Advancing Racial Equity Narrative

West Virginia Housing Development Fund

ADVANCING RACIAL EQUITY NARRATIVE

To advance Racial Equity, the West Virginia Housing Development Fund (the "Fund") has analyzed the racial composition of the persons or households who are expected to directly benefit from our proposed award for affordable multifamily housing. The proposed award will be deployed with the Low-Income Housing Tax Credit Program ("LIHTCP"), leveraged with LIHTCP equity, and will provide the necessary funding for more affordable housing properties in West Virginia (the "State") with first preference priority for the three (3) properties located in counties listed in the PRO Housing List of Priority Geographies which fulfill at least two of the three noted measures - Affordable housing not keeping pace, Insufficient affordable housing, and Widespread housing cost burden and substandard Housing. The next preference priority are for properties in the remaining eighteen (18) counties listed in the PRO Housing List of Priority Geographies.

In 2022, the State's population was approximately 1,775,000. The entire State is considered racially homogeneous resulting from its overall population being approximately 92% white and 8% minority (3.4% Black or African American, 3% two or more races, 1% Asian, and the balance is other). The population for the twenty-one (21) counties comprising the List of Geographies is approximately 554,100, with average racial demographics mirroring the States: 92.2% white and 7.8% minority (2.95% Black or African American, 3.09% two or more races, 0.67% Asian, and the balance is other).

The Fund recognizes the following barriers to persons or communities of color equitably benefiting from your proposed award activities and evaluates the efforts to advance racial equity:

1. <u>Barrier</u>: Housing discrimination.
   <u>Prevent, reduce, or eliminate this barrier</u>: The Fund requires all property owners to comply with the Fair Housing Act. Moreover, the Fund requires the submission of an Affirmative Fair Housing Marketing Plan ("AFHMP") for each property, which the Fund must approve prior to the marketing and leasing of the property's units.
   <u>Evaluation</u>: Every five years, property owners must submit an updated AFHMP, which must meet the Fund's approval.

2. <u>Barrier</u>: Segregation/Inhibiting access to well-resourced areas of opportunity/ Concentration of affordable housing in under-resourced areas/Lack of neighborhood amenities.
   <u>Prevent, reduce, or eliminate this barrier</u>: The Fund's LIHTCP offers scoring incentives, which encourages the (a) placement of properties in High Opportunity Areas; and (b) development of properties in locations (i) within proximity of public transportation, (ii) within school districts with higher performing schools (for non-senior properties), and (iii) within proximity to senior amenities (for senior properties) including, but not limited to, grocery stores, medical facilities, public recreation.
   <u>Evaluation</u>: The Fund maintains a map noting the location of LIHTCP properties.

3. Barrier: Neighborhood opposition to affordable housing.
   Prevent, reduce, or eliminate this barrier: The Fund is an equal opportunity housing provider and, therefore, will not consider any comments that object to a property development in violation of the Fair Housing Act or any other applicable federal law.
   Evaluation: The Fund will not tolerate violations of the Fair Housing Act or any other applicable federal law; therefore, evaluation is unnecessary.

Attachment D

Affirmative Marketing and Outreach Narrative

West Virginia Housing Development Fund

AFFIRMATIVE MARKETING AND OUTREACH NARRATIVE

The West Virginia Housing Development Fund (the "Fund") is committed to affirmatively furthering fair housing.

The Fund will broadly conduct outreach and marketing for the proposed award. Notices for the proposed award's public hearing will be via the *Charleston Gazette-Mail*, a newspaper with state-wide circulation, the *State Register*, the Fund's social media platforms, and to the Fund's multifamily email list serves. The multifamily list serve includes email addresses of community housing development organizations whose service areas are regionally dispersed throughout the State and who are involved with the target population (low- to moderate-income individuals and families, which include Black and Brown persons or communities, individuals with limited English proficiency, individuals with disabilities, or families with children).

If the Fund is selected for an award, future outreach and marketing will be similarly conducted: newspaper, *State Register*, social media, and list serves. As the state housing finance agency, the Fund maintains frequent communication with affordable housing developers, periodically conducts nonprofit community housing development organization meetings, and is involved with other affordable housing entities to promote awareness of funding, developments, and projects to a variety of demographic groups.

Attachment E

Experience Promoting Racial Equity Narrative

West Virginia Housing Development Fund

EXPERIENCE PROMOTING RACIAL EQUITY NARRATIVE

The West Virginia Housing Development Fund (the "Fund"), is the state housing finance agency that was created by an act of State Legislature (W. Va. Code 31-18-1, et seq.) in 1968. The Fund is an equal housing opportunity provider, committed to Fair Housing, and complies with civil rights laws.

The Fund has a robust Multifamily Department, comprised of nineteen (19) employees, dedicated to affordable housing. Resulting from the Multifamily Department's experience with other federal programs (Low-Income Housing Tax Credit Program, HOME Investment Partnerships Program, HOME-American Rescue Plan, Housing Trust Fund, Neighborhood Stabilization Program, Tax Credit Assistance Program, Tax Credit Exchange Program, and Emergency Rental Assistance program 2 Program), it has extensive experience with conducting public hearings; requesting and receiving public comments; seeking input from stakeholders and developers, affordable housing owners, public housing authorities, and community housing development organizations; and creating Qualified Allocation Plans, Consolidated Plans, Annual Action Plans, and Allocation Plans. Consequently, the Fund competently designs, proficiently implements, and successfully operates programs meeting the needs of underserved communities, which equitably benefit low- to moderate income persons, including the Black and Brown communities.