

June 9, 2021

## Rental Housing and Mixed-Use Loan Application Changes

Virginia Housing has updated both our Rental Housing and Mixed-Use loan applications which are now available on our [website](#). Applications submitted after June 30, 2021, should be on the new version. If you have begun the submission process with the current loan application, you may submit it as planned.

Some of the important changes in the application are as follows:

### **Guidelines Tab:**

Rental Housing is in the process of reviewing the current LTC and DSC ratios for its Mixed-Income and Mixed-Use programs. You can expect an announcement regarding changes to be made by June 30.

### **Sources Tab:**

The Sources tab has separated those sources used during construction from those sources that constitute permanent funding. As an example, there may be Virginia Housing Gap financing during construction, but will be repaid with tax credit equity at conversion. Virginia Housing debt, Other Lender's debt, Tax Credit proceeds and Other Equity are the sources you will be asked to detail.

Construction sources will not be viewable unless the construction/perm option is chosen.

### **Uses Tab:**

Estimated construction costs are separated into Total Structures Cost and Total Land Improvement Costs; a hyperlink takes you to the Construction Specification Institute's (CSI) coding format which you can use as a reference when formulating your estimates for the required line items.

For budget purposes, Virginia Housing will recognize development costs incurred between construction closing and loan conversion which may include costs that would not be funded with VH loan dollars; the application permits a detailed accounting of those costs in a separate section of the Uses tab. These costs are consolidated under the Miscellaneous line item in the budget.

Additionally, these costs are not included in TDC for the purposes of calculating LTC.

### **DCA Tab:**

The separation of funds during the construction and permanent phases is carried over to the DCA. There are two DSC ratios displayed; the first includes only VH permanent debt and the second one incorporates all debt service as shown on the Sources tab.

**Tenants Tab:**

The choices for Income Restrictions have been updated to align with our financing programs.

A number of other changes have been made such as input prompts, verifications, improved coordination, formatting, etc. which will hopefully improve the experience and the final product. If you have any questions about when or how to use this application, feel free to contact Bennett Atwill 804-305-8945 or [Bennett.Atwill@VirginiaHousing.com](mailto:Bennett.Atwill@VirginiaHousing.com) or contact your development officer.

**We believe in the power of home to grow thriving communities across Virginia, and we thank you for being part of our mission for almost 50 years.**

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