

Affordable Housing Trust Fund (AHTF)

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Land Use, Housing and Transportation Standing Committee



DEPARTMENT OF
**HOUSING AND
COMMUNITY
DEVELOPMENT**

Code, History & Overview

City Code Sec. 16-53

"The purpose of the [Affordable Housing Trust] fund shall be to aid in meeting the needs of low and moderate-income households in the City by providing loans and grants to for-profit and non-profit housing developers and organizations for the acquisition, capital and other related costs necessary for the creation [preservation and rehab] of affordable rental and owner-occupied housing in the City."

History and Overview

- AHTF was established in **2004** but was not funded until **2014**
- Since its inception, the fund has received just over **\$42.3M**
- Producing and preserving **3,603** affordable housing units
- Funding was provided as grants/forgivable loans until July 2025



Armstrong Renaissance – 45 PBV Units – Senior Housing – The Community Builders



About the AHTF

Funding must be used for the following

- The construction and substantial rehab of affordable for sale or rental housing in mixed-income neighborhoods
- The substantial rehab of owner-occupied homes or multifamily buildings in communities with higher-than-average City foreclosure rates or number of blighted properties
- The adaptive reuse of buildings into affordable housing

Minimum applicant requirements

- Minimum 15-year affordability period (rental); sale to 80% AMI buyer at closing (homeownership)
- Target low- and moderate-income households (0% - 80% AMI)
- Incorporate *Universal Design* principles (new construction and substantial rehab)
- Promote Energy efficiency
- Leverage funds from other sources



12-Member Supervisory Board

Board Composition

C=Council Appointed; M=Mayor Appointed

- C** 1. A representative from Richmonders Involved to Strengthen our Communities (RISC)
- C** 2. A resident of the City of Richmond or a rep of a service provider assisting low-income individuals or families
- C** 3. A person licensed by the Virginia Real Estate Board as a real estate salesperson or a real estate broker
- C** 4. A representative from an organization dedicated to promoting affordable housing
- M** 5. A lender from a financial institution with affordable housing financing experience
- M** 6. A builder or developer with experience constructing affordable housing projects
- M** 7. A person with professional experience with, or knowledge of, public housing
- M** 8. An attorney specializing in housing matters.
- C** 9. A housing counselor
- C** 10. A member of the City Council
- C** 11. A representative of a charitable institution
- M** 12. A representative of a business, the principal office of which is located within the city, focusing on the construction of residential structures

Board Responsibilities

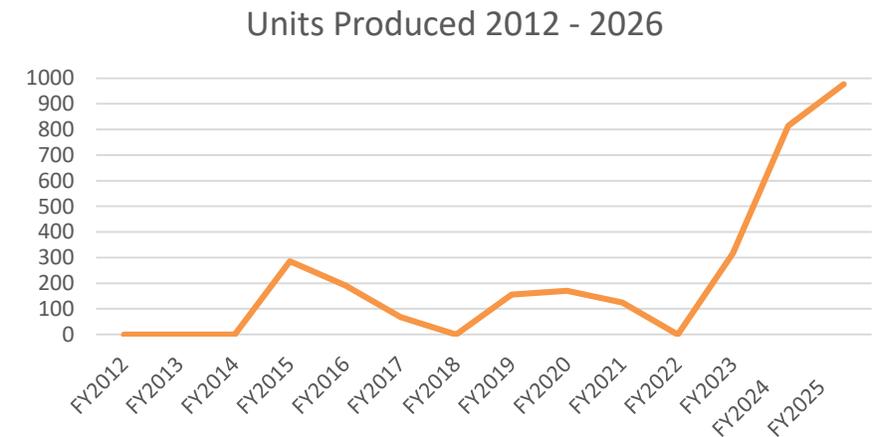
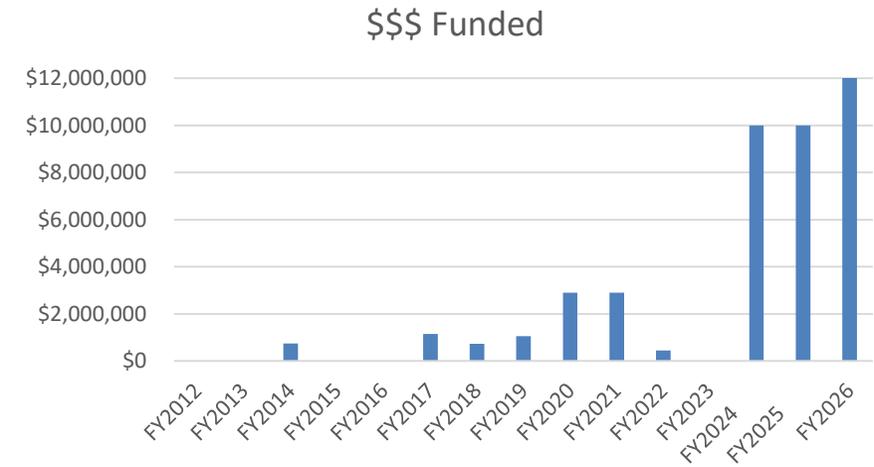
Richmond City Code Sec. 16-80

- 1. Review proposed amendments to the regulations, operational policies and procedures provided for in [Section 16-114](#), and submit to the City Council and the Mayor a report containing the Board's advice and recommendations...
- 2. Review and approve annual program allocations
- 3. Receive recommendations of staff for projects to be funded by the AHTF



Chronology of AHTF Funding

Fiscal Year	Investment
FY14 – FY 19 (General Fund)	\$3,685,066
FY20 (General Fund)	\$2,900,000
FY21 (\$2.9M General Fund)	\$2,900,000
FY22 (\$442,193 General Fund)	\$442,193
FY23 (General Fund)	\$0
FY24 (EAHP/bond financing)	\$10,000,000
FY25 (EAHP/bond financing)	\$10,000,000
FY26 (EAHP, Surplus property and partial tax roll-off)	\$12,400,000 (\$2.4M pending)
Total Funding FY14-FY26	\$42.3M
Obligated, But Not Expended (construction = 18 – 36 months)	\$32.9M



Units Produced/Preserved Since Inception

3,603

Including:

- Single-family homeownership (new construction)
- Multifamily rental, new construction
- Multifamily rental, rehab
- Multifamily rental, adaptive reuse



AHTF Awarded Properties



NOON Hioaks I – 151 units (\leq 60% AMI) – Family – Lynx Ventures



AHTF Awarded Properties



The Planet Apartments – 67 units (\leq 60% AMI) – Family – Better Housing Coalition

Annual Subsidy Required to Produce A 30% AMI Unit

According to the Federal Poverty Guidelines, the annual income that defined the poverty level based on household size in 2025:

Household/Family Size	2025 Annual Income
1-person	\$15,650
2-person	\$21,150
3-person	\$26,650
4-person	\$32,150
5-person	\$37,650

Low Income = Low Rent: A household at 30% AMI has very little income, meaning the rent they can afford is extremely low

Per HUD, the 30% area median income (AMI) for 1 person in the Richmond area is **\$23,850**

Annual income for someone working 40 hours a week at \$12.77 per hour (VA minimum wage):

\$26,562

Annual income for someone working 40 hours/week at \$20/hr (Richmond Government minimum wage)

\$41,600



HUD 2025 INCOME AND RENT LIMITS – Richmond, VA MSA

Size	AMI%	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%
1		\$ 23,850	\$ 31,800	\$ 39,750	\$ 47,700	\$ 55,650	\$ 63,600	\$ 71,550	\$ 79,500	\$ 85,860	\$ 95,400
2		\$ 27,244	\$ 36,325	\$ 45,406	\$ 54,488	\$ 63,569	\$ 72,650	\$ 81,731	\$ 90,813	\$ 98,078	\$ 108,975
3		\$ 30,656	\$ 40,875	\$ 51,094	\$ 61,313	\$ 71,531	\$ 81,750	\$ 91,969	\$ 102,188	\$ 110,363	\$ 122,625
4		\$ 34,050	\$ 45,400	\$ 56,750	\$ 68,100	\$ 79,450	\$ 90,800	\$ 102,150	\$ 113,500	\$ 122,580	\$ 136,200
5		\$ 36,788	\$ 49,050	\$ 61,313	\$ 73,575	\$ 85,838	\$ 98,100	\$ 110,363	\$ 122,625	\$ 132,435	\$ 147,150
6		\$ 39,506	\$ 52,675	\$ 65,844	\$ 79,013	\$ 92,181	\$ 105,350	\$ 118,519	\$ 131,688	\$ 142,223	\$ 158,025
7		\$ 42,225	\$ 56,300	\$ 70,375	\$ 84,450	\$ 98,525	\$ 112,600	\$ 126,675	\$ 140,750	\$ 152,010	\$ 168,900
8		\$ 44,963	\$ 59,950	\$ 74,938	\$ 89,925	\$ 104,913	\$ 119,900	\$ 134,888	\$ 149,875	\$ 161,865	\$ 179,850
9		\$ 46,311	\$ 61,749	\$ 77,186	\$ 92,623	\$ 108,060	\$ 123,497	\$ 138,934	\$ 154,371	\$ 166,721	\$ 185,246

Bedroom Size	Persons in Unit	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%
0	1	\$596	\$795	\$994	\$1,193	\$1,391	\$1,590	\$1,789	\$1,988	\$2,147	\$2,385
1	1.5	\$639	\$852	\$1,064	\$1,277	\$1,490	\$1,703	\$2,043	\$2,129	\$2,452	\$2,555
2	3	\$766	\$1,022	\$1,277	\$1,533	\$1,788	\$2,044	\$2,299	\$2,555	\$2,759	\$3,066
3	4.5	\$885	\$1,181	\$1,476	\$1,771	\$2,066	\$2,361	\$2,554	\$2,952	\$3,065	\$3,542
4	6	\$988	\$1,317	\$1,646	\$1,975	\$2,305	\$2,634	\$2,759	\$3,292	\$3,311	\$3,951
5	7.5	\$1,090	\$1,453	\$1,816	\$2,180	\$2,543	\$2,906	\$2,963	\$3,633	\$3,556	\$4,359
6	9	\$1,158	\$1,544	\$1,930	\$2,316	\$2,701	\$3,087	\$3,167	\$3,859	\$3,800	\$4,631



Example (Identical Unit & Costs)

Unit Type: 1-Bedroom

Building: Same property, same quality, same operating standards

Expenses: **DO NOT** change with rent level

Monthly Expense	Amount	% of Expenses
Mortgage Interest	\$520	45%
Property Taxes	\$180	16%
Insurance	\$75	7%
Management	\$120	10%
Repairs and Maintenance	\$140	12%
Owner-Paid Utilities	\$110	10%
Total Monthly Cost	\$1,145	100%



Unit Comparison



1BR Unit	Market-Rate Unit	30% AMI Unit
Monthly Rent	\$1,500	\$639
Monthly Expenses	\$1,145	\$1,145
Surplus/ (Gap)	\$355	(\$506)



At market rate, the unit generates modest cash flow (for reserves and capital needs)



At 30% AMI, the same unit produces a \$506/month operating gap (*before* capital replacement)

Annual Subsidy Required to Produce a 30% AMI Unit

The below represents the ongoing operating support required to keep ONE identical 1-bedroom unit affordable at **30% AMI** while maintaining standard property operations

Monthly Operating Gap: \$506 per unit

Annual Subsidy Needed: $\$506 \times 12 = \$6,072$ per unit per year

(x 30 years = \$182,160 per 1BR over the life of the loan)



Program Evolution



AHTF Guidelines

Enhanced guidelines including Minimum Program Requirements, Types of Funding, Applicant Qualifications, Application Submission Requirements, Application Review Timelines, Application Review Process, and Evaluation Criteria



AHTF Application

Now an Excel-powered application, previously a MS Word document



Open Round vs. Competitive Round

Open Round: not date dependent; full underwriting determines award

Competitive Round: date dependent; competition and full underwriting will determine award



Below-market Interest Rate Financing

In addition to grant product; provides flexibility; added benefit of off-setting bond financing costs and returning revenue for additional affordable housing



Types of Flexible Financing

Funding is in the form of short-term, below-market rate loans, sized according to risk and based on funds available. Loan products include:



Pre-development Costs Financing: funds required to ready the project for construction including, but not limited to, architectural services



Gap Financing: secondary loans to fill funding gaps between the primary loan amount and the available capital or equity from other sources (i.e., developer funds or tax credits); repaid upon permanent financing



Strategic Initiatives Financing: mission-aligned capital; does not include housing services. Contact HCD to discuss your project and receive an application



Bridge Financing: senior, short-term, flexible financing to cover acquisition, rehab, or construction completion; repaid upon permanent financing

Affordable Housing Production/Preservation (2021-2025)

	Total Units	PSH	PBVs	≤30% AMI	≤50% AMI	≤60% AMI	80% AMI	120% AMI	Market
Total SF	30	0	0	0	0	0	29	1	3
SF (in progress)	7	0	0	0	0	0	6	1	3
Total MF New Construction	1,356	30	214	13	129	941	29	0	0
MF New Construction (in progress)	523	0	148	5	32	338	0	0	0
Total MF Preservation	339	31	0	51	196	86	1	0	0
MF Preservation (in progress)	50	0	0	0	4	45	1	0	0
TOTAL	1,725	61	214	64	325	1,027	59	1	3

SF: Single-Family

MF: Multifamily



Questions and Discussion



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