

US DEPARTMENT OF VETERANS AFFAIRS
LOAN GUARANTEE PROGRAM FOR TRANSITIONAL MULTIFAMILY HOUSING FOR
HOMELESS VETERANS

The U. S. Department of Veterans Affairs (“VA”) will soon be issuing a Notice of Funding Availability announcing a Loan Guarantee Program for Multifamily Transitional Housing for Homeless Veterans authorized under SubChapter 6 Chapter 20 Title 38 §§2051 et.seq. of the US Code. Under the Program, VA may guarantee up to 15 secured loans with an aggregate dollar amount of \$100 million to develop multifamily transitional housing with supportive services for homeless veterans. With a homeless veteran population of over 200,000 nationally, loans will be made in those communities that are identified to have significant need for such housing.

The Program provides low-interest loans originated by the Federal Financing Bank (“FFB”), an arm of the U.S. Department of the Treasury, with a 100 percent guarantee by VA. In certain cases, a Program-guaranteed loan may be amortized over 40 years and cover up to 80 percent of total project costs. State or local governments or non-government entities must provide additional funding or substantial services. Due to the economics of the Program, it is anticipated that in most cases, VA-guaranteed loan amounts will fund considerably less than 80 percent of total project costs.

VA will deliver Program funds as either combination construction and permanent guaranteed loans or permanent guaranteed loans. Funds may be used for acquisition or acquisition and development of real estate or rehabilitation of existing improved real estate, or to refinance an existing loan. Loan proceeds may include reasonable amounts for financing the acquisition of furniture, equipment, supplies, or materials for the facility; or for supplying the Sponsor (Applicant of the Program) with working capital relative to the facility. The facility may include commercial space, such as space for neighborhood retail services or job training programs. This Program does not fund single-family housing. Loans under the program must commit to provide housing for homeless veterans for a minimum of fifteen years.

VA expects that the projects in the program will be self-sustaining. Although the loans are non-recourse, to maximize the likelihood of a project’s long-term success, VA requires that project Sponsors demonstrate the financial wherewithal to repay a Program loan as well as a high capacity to develop and operate transitional housing for homeless veterans. Sponsors and their development teams must show a strong track record in developing, operating and or managing affordable housing or providing supportive services to veterans or homeless persons. Sponsors may partner with other organizations to satisfy all requirements under the Program.

Applications must demonstrate that the supportive services strategy is needs based and financially feasible, that it will be monitored and adapted as necessary to attain its goals, and that it will help participants make the transition to permanent housing. The supportive services strategy must include use of available VA services and other community services. Sponsors must demonstrate community support by, at a minimum, securing for their projects funding from state, local, federal and/or private sources.

If interested in learning more about this program please visit the VA Website at www.va.gov/homeless/multifamily