



Virginia Community Capital



Virginia Governor's Housing Conference
November 13th, 2008

Who is Virginia Community Capital?

A multi-million \$ non-profit, CDFI & Virginia's first community development bank



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What is VCC's mission?

To offer innovative, flexible financial products designed to support housing and community development ventures, increase jobs and build sustainable communities.



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What does VCC offer?

Capital Assistance

- Loans for community development projects
- Flexible Products
- Willingness to be part of multi-funding scenarios

Technical Assistance

- Free technical assistance to newer groups or towns



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VCC's Lending Focus

Affordable Housing Products -

- focus on preservation of rental housing
- lending w/ the NSP funds on foreclosed properties

Economic Development Products –

- small business loans
- focus on supplier diversity program/micro support
- SBA lender

Community Facility Products –

- focus on health care in underserved markets (NMTC)



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Impact Tracking 2006 - 2008

Transactions

37

\$ Transactions

\$21.8 million

New Jobs

140

Jobs Retained

19

Units New

574

Units Rehabbed

302

Technical Assistance Hours

2,000



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Benefits for Virginia

Free technical assistance for community development deals

Leverage more capital into affordable housing projects – ie: loans with the Neighborhood Stabilization Program

Not a competitor for local banks – we work with the banks to create lending partnerships

In these tight credit markets, VCC has liquidity and is still able to lend on commercial real estate deals

Size allows us to be quick in our response to inquiries



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Affordable Housing Products

Single Family Construction (not much demand)

Single Family Foreclosed Property – NSP

Multi-family Affordable Housing

- small acquisition & construction on new developments
- Acquisition & rehab on expiring use properties – PAL
- Mixed use – retail/commercial & housing



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Preservation Acquisition Loan (PAL)?

- Amounts – up to \$4 million
- Rates – currently around 7.5%
- Terms – up to 36 months, interest only
- Collateral – 1st or 2nd deed of trust
- LTV's – may go as high as 100%, looking for some equity in the deal
- Guarantees - generally required

Partnering with National Housing Trust



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FAQ's for the PAL Product

- How much funding is available?
 - \$30 million over 3 years
- Will you really do second lien positions?
 - Yes, however, some of our funding base is limited to 1st liens only. And, pricing is dependent on funders & risk.
- How can you offer rates at about 7.5% in this market?
 - The rate for the program is blended – some market, some subsidized. Rates are project specific and depend on lien position, strength of deal, equity, targeting, etc.
- Will you consider predevelopment expenses?
 - Yes, based on strength and experience of developer.



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Contact Information

Jane Henderson, President

jhenderson@vccva.org

Dawn DeHart, Sr. Lending Officer

ddehart@vccva.org

990 Cambria Street, N.E. Christiansburg, VA 24073
540-260-3126

Bill Skeen, Chief Credit Officer

wskeen@vccva.org

Robert J. Adams, Project Devel. Advisor

bob@hdadvisors.net

100 West Franklin St, Suite 301 Richmond, VA 23220
804-240-3755

Al Smuzynski, Director

asmuzynski@cox.net

John Morland, National Housing Trust

jmorland@nhtinc.org



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