



# AFFORDABLE HOUSING LESSONS LEARNED



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Southwest Virginia  
Regional Housing Summit

April 26, 2023

HOPE's Collaborative Community Building Approach

[Learn More](#)



# Andy Kegley

Executive Director of HOPE, Inc.

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## About Me

- In my free time - Kegley Farms, raising grass-fed beef
- 30 years community economic development and affordable housing development experience
- Currently leading strategic rebranding and renaming, solar energy transformation, and development of 30 new units of workforce housing

# About HOPE, Inc.

## Our Story

Helping Overcome Poverty's Existence, Inc. (HOPE) was established in 1992 to fulfill the challenge of its name - to reduce the conditions contributing to poverty in Southwest Virginia. HOPE, Inc. is a non-profit 501(c)(3) charitable organization breaking generational poverty through enhanced food access and housing stability. It serves a five-county area of Bland, Carroll, Grayson, Smyth, and Wythe, as well as the city of Galax. HOPE manages the state's first donate-what-you-can restaurant, the Open Door Café, and a weekly school backpack program—combined these food projects provide 60,000 meals annually.



# Our Identity



As a HUD-certified Community Housing Development Organization (CHDO) we are eligible for grants, low or no interest loans from Va DHCD and US HUD.

We've deployed HOME, DHCD State Trust Fund and PSH financing for multiple projects over the last 20 years, along with Federal Home Loan Bank of Atlanta's Affordable Housing Program, and Va Housing REACH.

Our board is comprised of 16 residents who represent the service area.

- Small but mighty
- Lean
- Nimble
- Collaborative

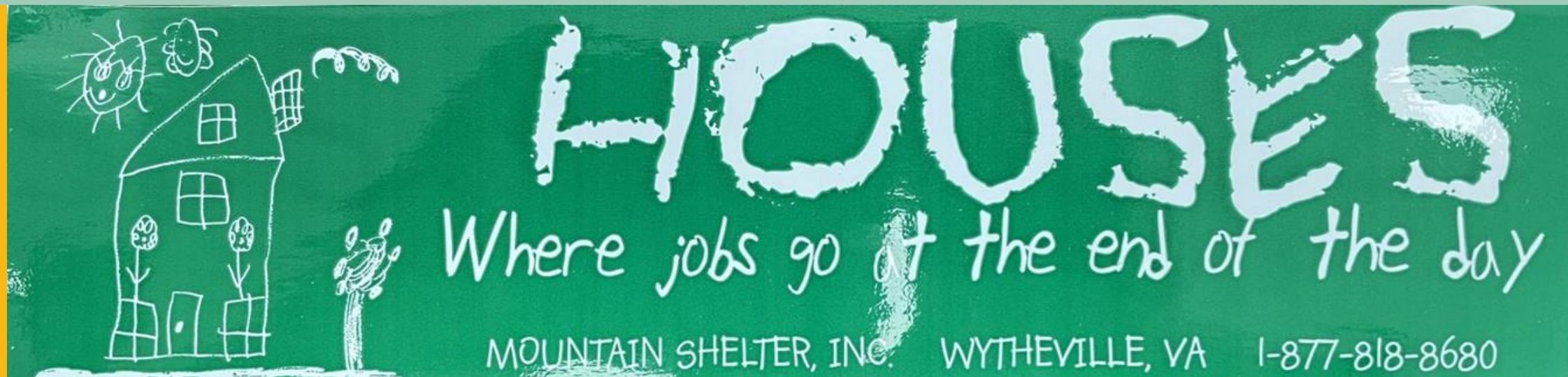


# Collaborative Community Building



- 01 Our name is aspirational - Helping Overcome Poverty's Existence
- 02 Mission: to break generational poverty through enhanced food security and housing stability.  
Nearly 30 years ago, HOPE's predecessor, Mountain Shelter, issued an edgy bumper sticker as our first piece of advocacy –"if you know, you know"
- 03

# Collaborative Community Building



01

20 years ago, we rolled out an improved sticker for housers and economic developers

02

Our Fahe colleagues working in central Appalachia loved it

03

Both West Virginia and Tennessee state HFA's reproduced it

# OUR TRACK RECORD

HOPE's history of Collaborative Community Building



1999

## First Multi-Family Project Approved

Southridge with Wytheville Redevelopment Housing Authority using Low Income Housing Tax Credits for 20 units



2001

## Southridge Opens

12, 1-BR units in renovated motel and 8, 2-BR homes



2002

## NIMBY

Resistance in development of Pepper Commons in downtown Rural Retreat



2002-03

## HOPE Ministry Center

Consolidated services for 7 human service agencies under one roof

# OUR TRACK RECORD

HOPE's history of Collaborative Community Building



2003-05

## Deerfield

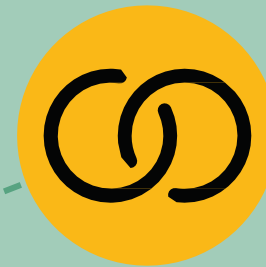
32-units, high density project  
NIMBYied as LIHTC;  
restructured as single family  
subdivision



2006

## First Group Home

Construction of a 4-BR group  
home, leased to MRCS



2007

## Merger

Merger of Mountain Shelter into  
HOPE; Ex. Dir. participation in  
Harvard KSG Achieving  
Excellence program



2009

## Hillcrest

Purchase of REO Hillcrest  
Apartments, Hillsville



# OUR TRACK RECORD

HOPE's history of Collaborative Community Building



2010

## Long Meadows

First swing at acquisition of Long Meadows subdivision with CDBG, then successfully with Fahe and Housing Assistance Council SHOP funding



2012

## New Capacity

First AmeriCorps VISTA; fiscal agent for Community Food Kitchen and Little Maroon Packs, Wythe-Bland Foundation support for community bookkeeping



2013

## Hillcrest Renovated

Closing on Hillcrest permanent financing (HOME and VH REACH) after renovation of 14 units



2016

## Capital Injection

First funding approved for permanent food kitchen; 2, 4-BR group homes for IDD population

# OUR TRACK RECORD

HOPE's history of Collaborative Community Building



2018

## Open Door Café

Opens in November after \$700,000 grant-funded renovation



2020

## Major Gift Received

New roofs and HVAC, Covid pandemic response tripling of service budget



2018

## VHDA Grant

Community Improvement Grant through Va Housing to preserve affordability of our Long Meadows subdivision



2022

## Housing Portfolio

Acquisition of town homes in Galax and Marion; surpassed \$5 million total assets. Closed with Landmark on FHLB A AHP \$500k deferred investment on \$ 9m Woodlawn School LIHTC renovation of 54-units in Carroll County



# Portfolio Pipeline

## HOPE Solar LLC

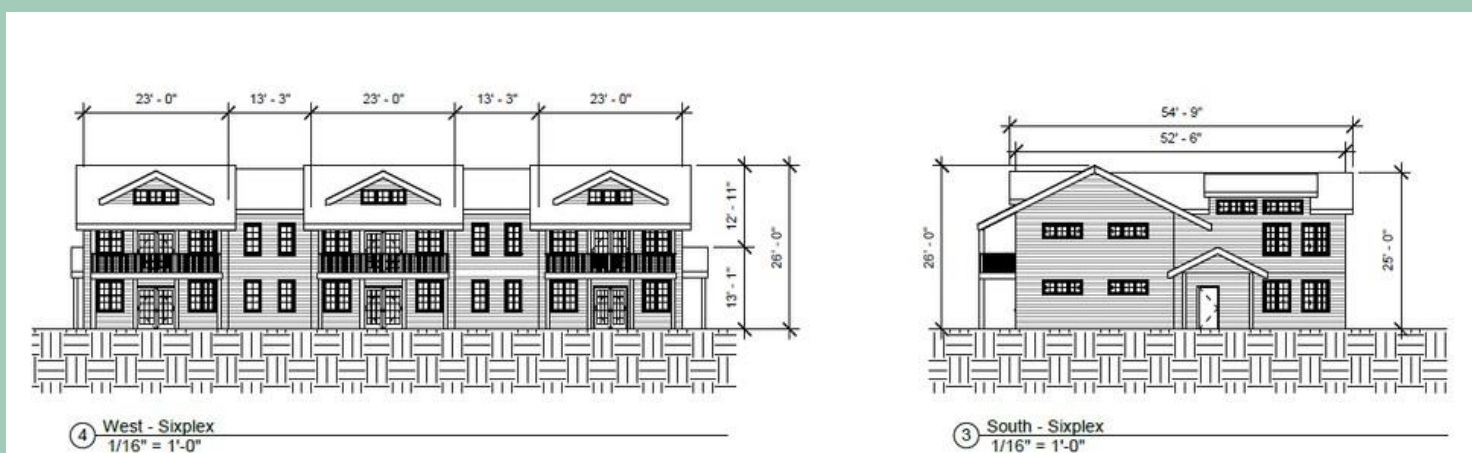
Creation of HOPE Solar LLC with Secure Solar Futures to install panels on both roofs and first Main Street EV charging station (by August)

## Fairview Apartments

Final financing submission for Fairview Apartments—\$2.2 m 12 unit workforce / Permanent Supportive Housing

## Monroe-North

Purchase of Monroe-North empty city block and submission of \$3.8 m of estimated TDC \$10m for 30 units workforce housing, zero-energy ready; tripling our balance sheet



# Monroe North



# Monroe North Affordability

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- 30 units of 1, 2, and 3 bedroom units
- 4 units at 30% AMI
- 13 units at 50% AMI
- 13 units at 60% AMI



⑤ 3D View 2

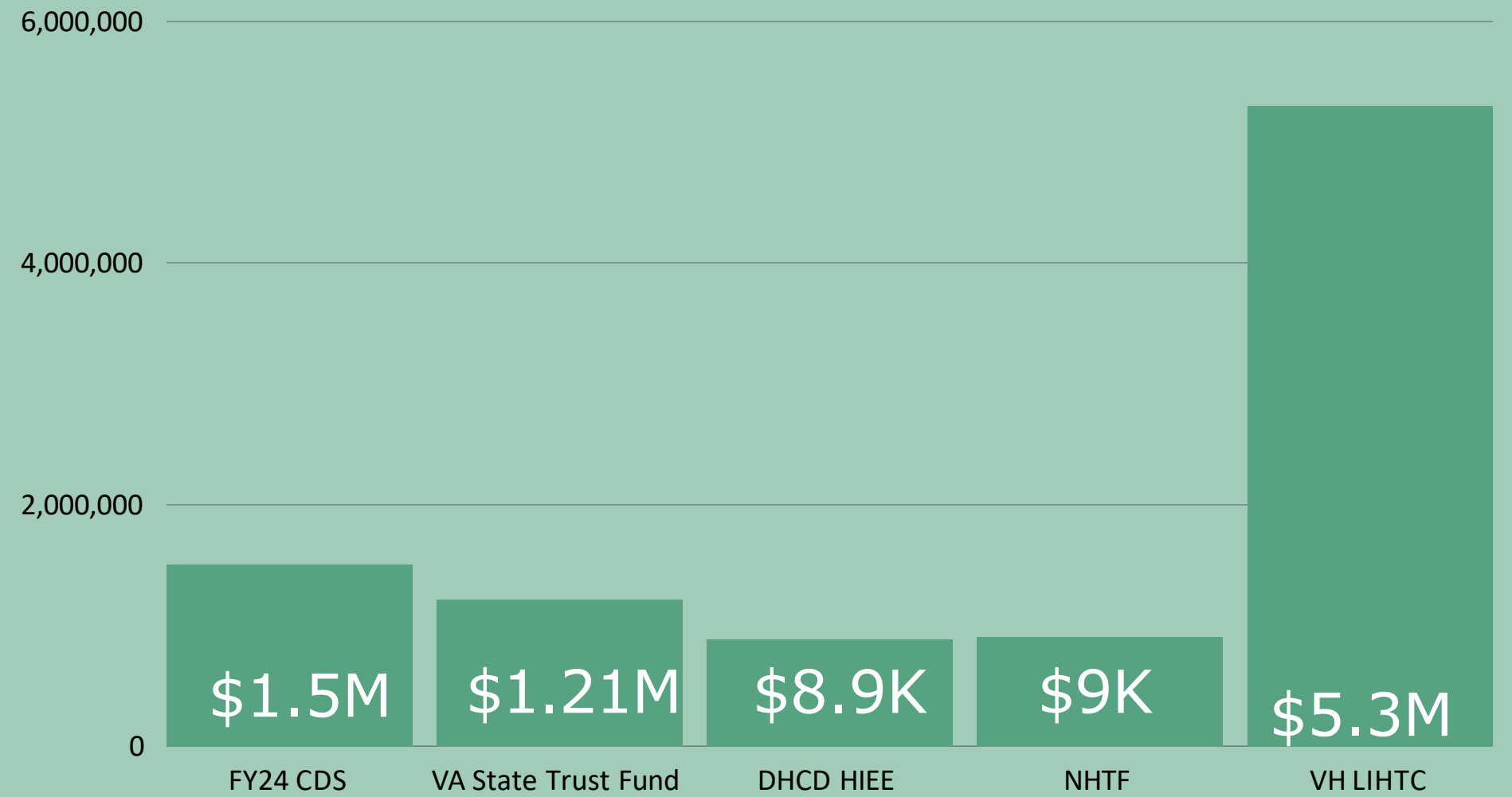
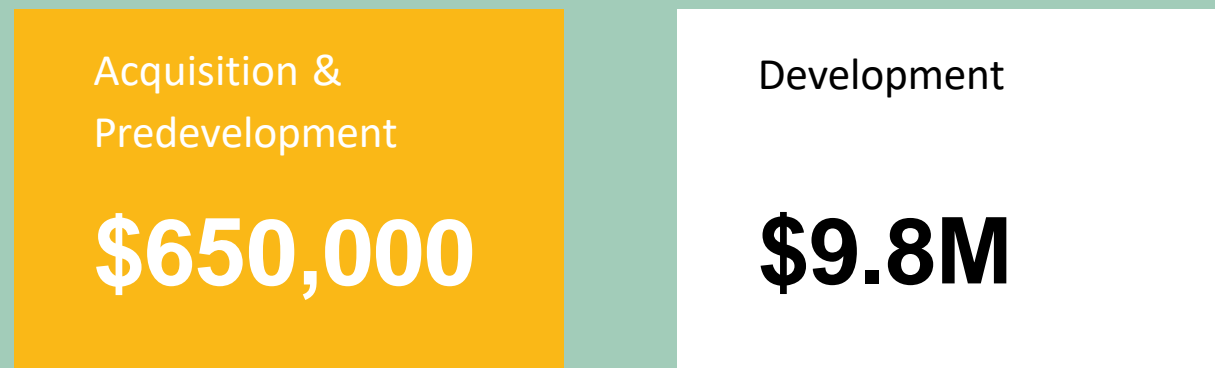


⑥ 3D View 1

3D VIEWS

# Financing Model

Phase I Environmental Study complete.  
Site acquisition closed March 2023.  
First round of funding applications submitted April 2023.



Pitch Deck By

Fauget Capital Technology

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# Workforce Housing Shortage



Rural communities like Wythe County face shortages of housing units affordable to households earning less than 120 percent of the area median income. In 2020, 46% of US renters spent 30% or more of their income on housing. In Wythe County 38.5% of occupied units paying rent spent more than 30% on gross rent as a percentage of household income.

- Surging Rents
  - Declining Supply
  - Income Growth
  - Employment Boom
-

# Wythe County Housing Snapshot



## NOAH Decline

Just in last six months, Wytheville market has seen the displacement of 100+ units of NOAH: 1 72 unit motel, 2 rooming houses



## Building Permits

Annual building permits issued in Wythe County prior 1998-2008 recession: 263 permits (town and county)  
2012-2022: 79 permits (town and county)



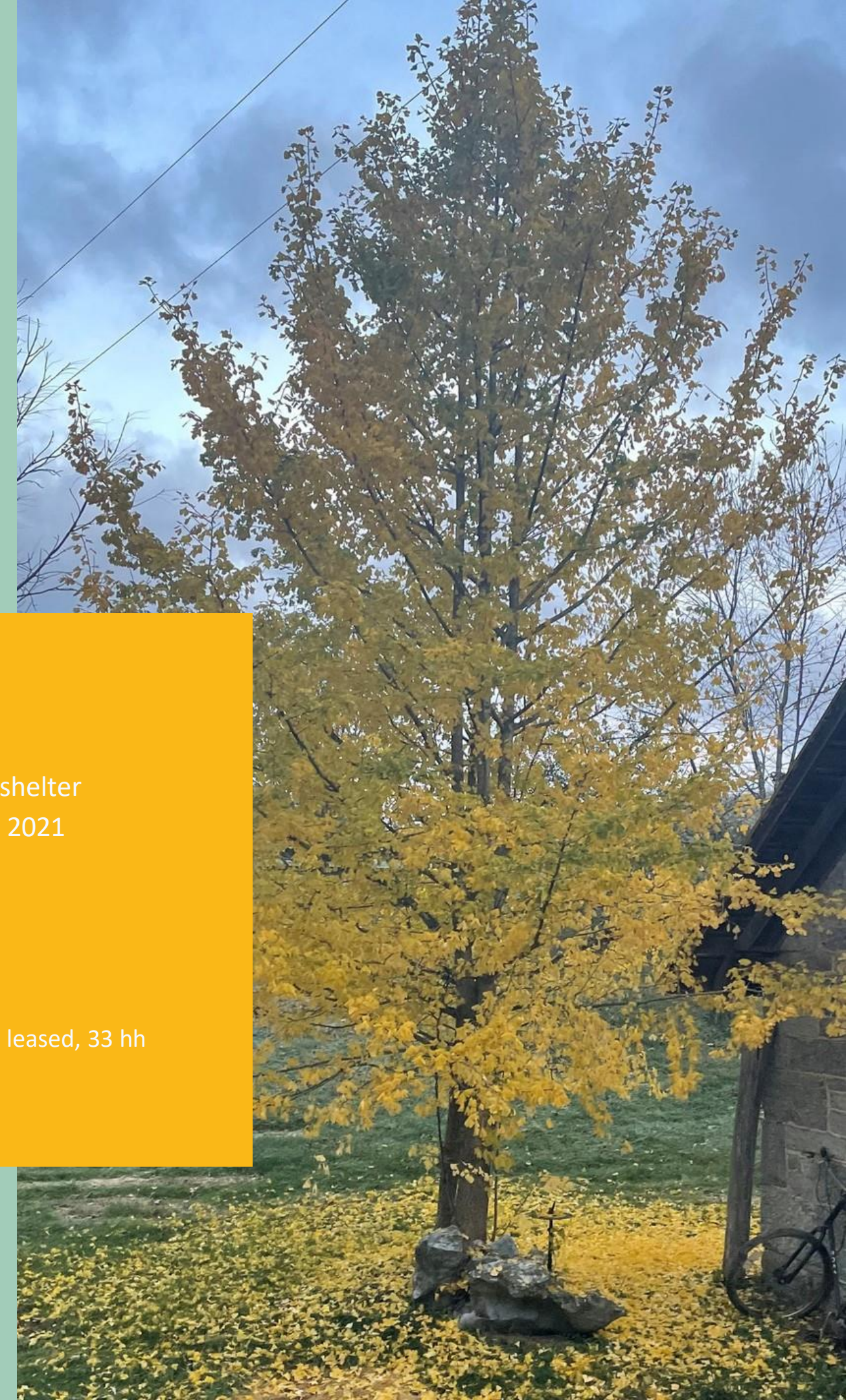
## Limited Supply

The average length of stay for rehoused clients in shelter was 21 days in 2017. The average length of stay in 2021 increased to 90+ days due to limited rental stock.



## Housing Voucher Waitlists

One area Section 8 administrators has 303 vouchers, 267 leased, 33 hh searching, 55 hh on wait list.  
MRCS PSH 110 vouchers available, 50 on wait list





# Wythe County Housing Data

## Surging Rents

**38.5%**

PAYING RENTS AT 25%  
OR MORE OF INCOME

**24%**

2010-15 rents outpaced  
income growth

## Limited Supply

**-89**

10 YEAR DECLINE IN  
UNITS

**2.5k**

NEW JOBS

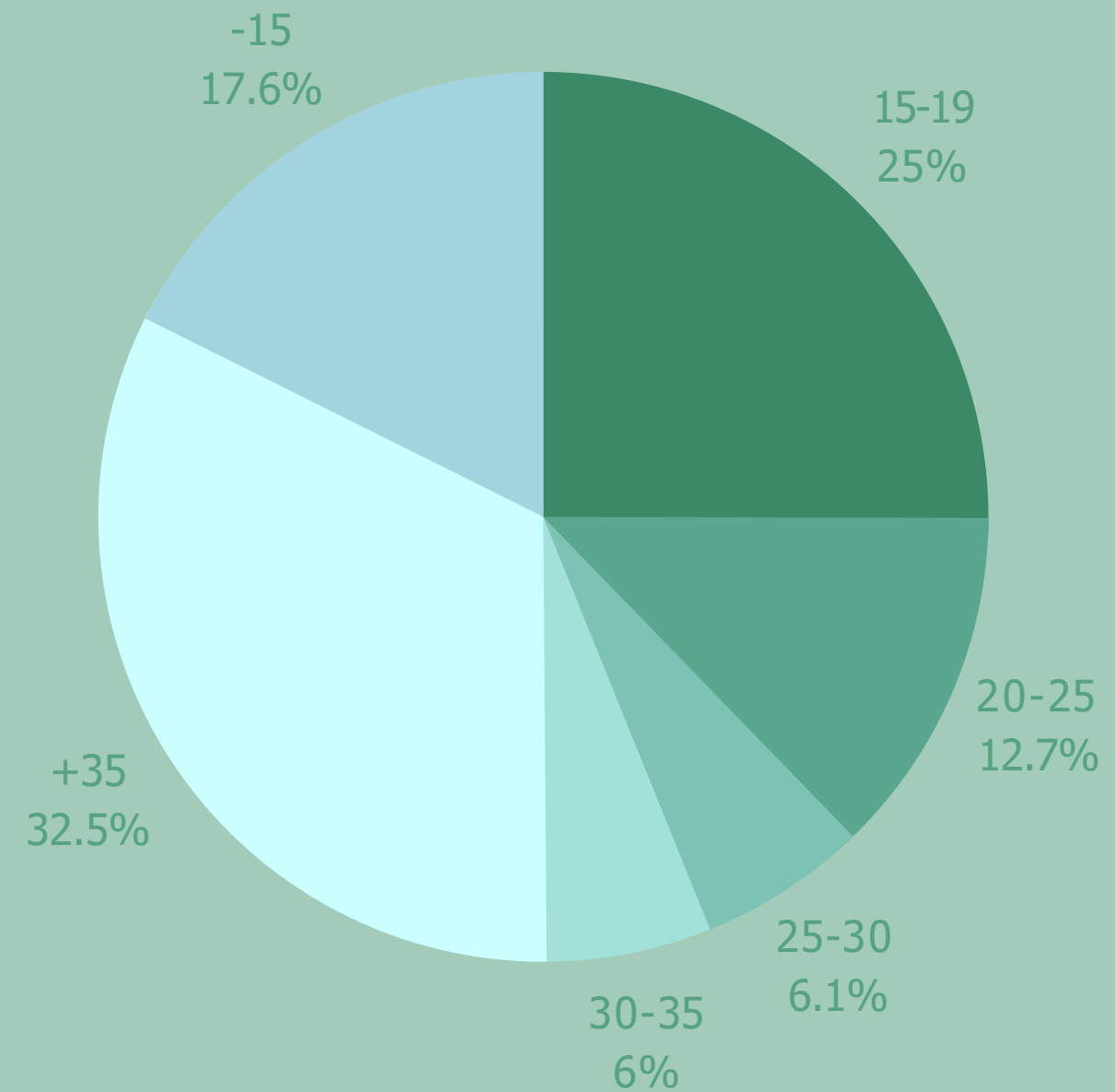
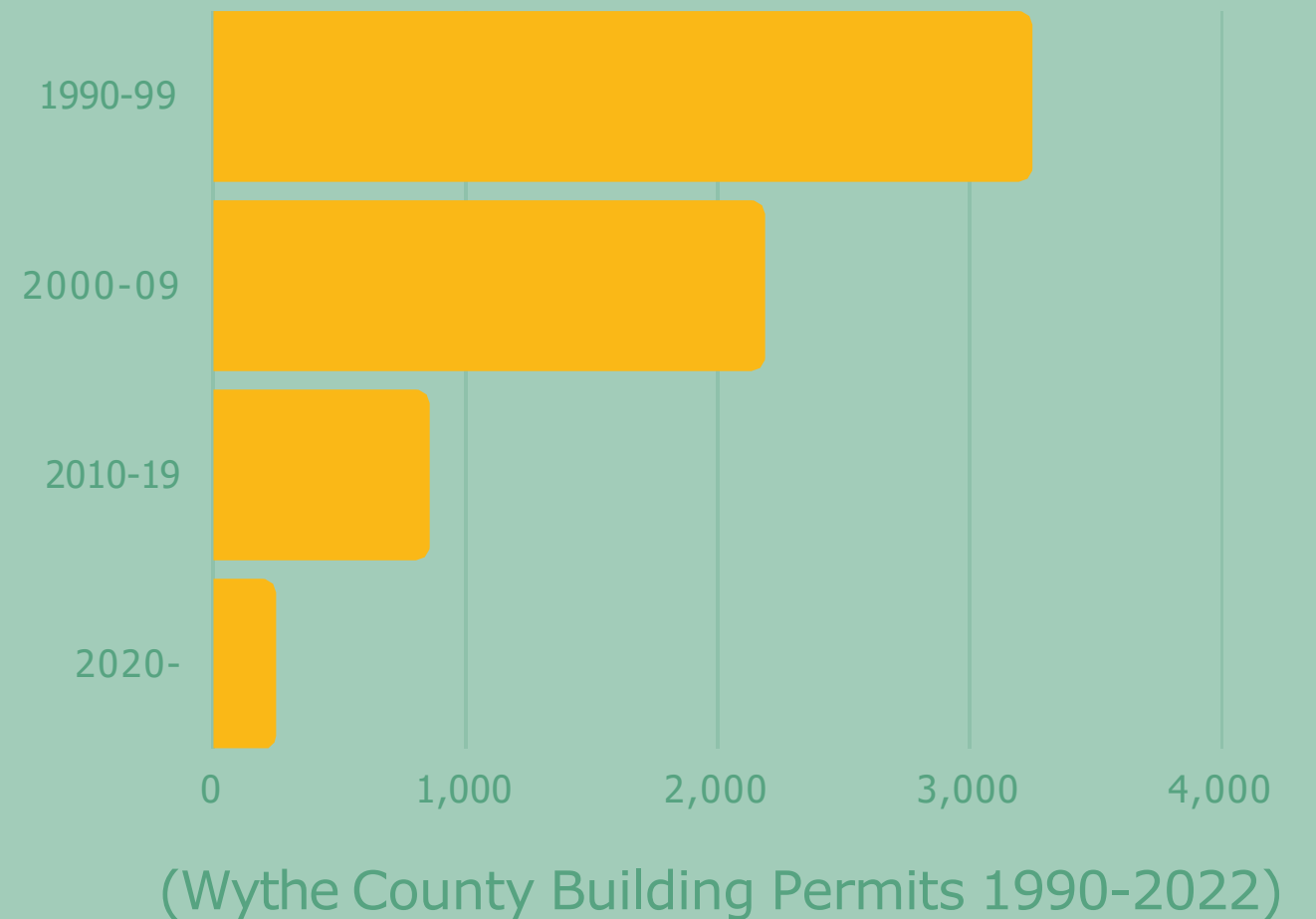
Building Permit Decline

**3k from 2000-09**

**800 from 2010-19**



# Data Tables



After the 2008 housing crash, annual housing permits issued in Wythe County declined from 263 permits issued from 1998-2008 to only 79 permits from 2012-2022. In the decade after the great recession, new building permits fell below 1,000 units for the first time in 2 decades.

**Gross Rent Greater than  
25% of Income**

**44.6%**

**THE GAP  
2 out of 5**

# Federal Resources: VA CD 9



**CHACE**

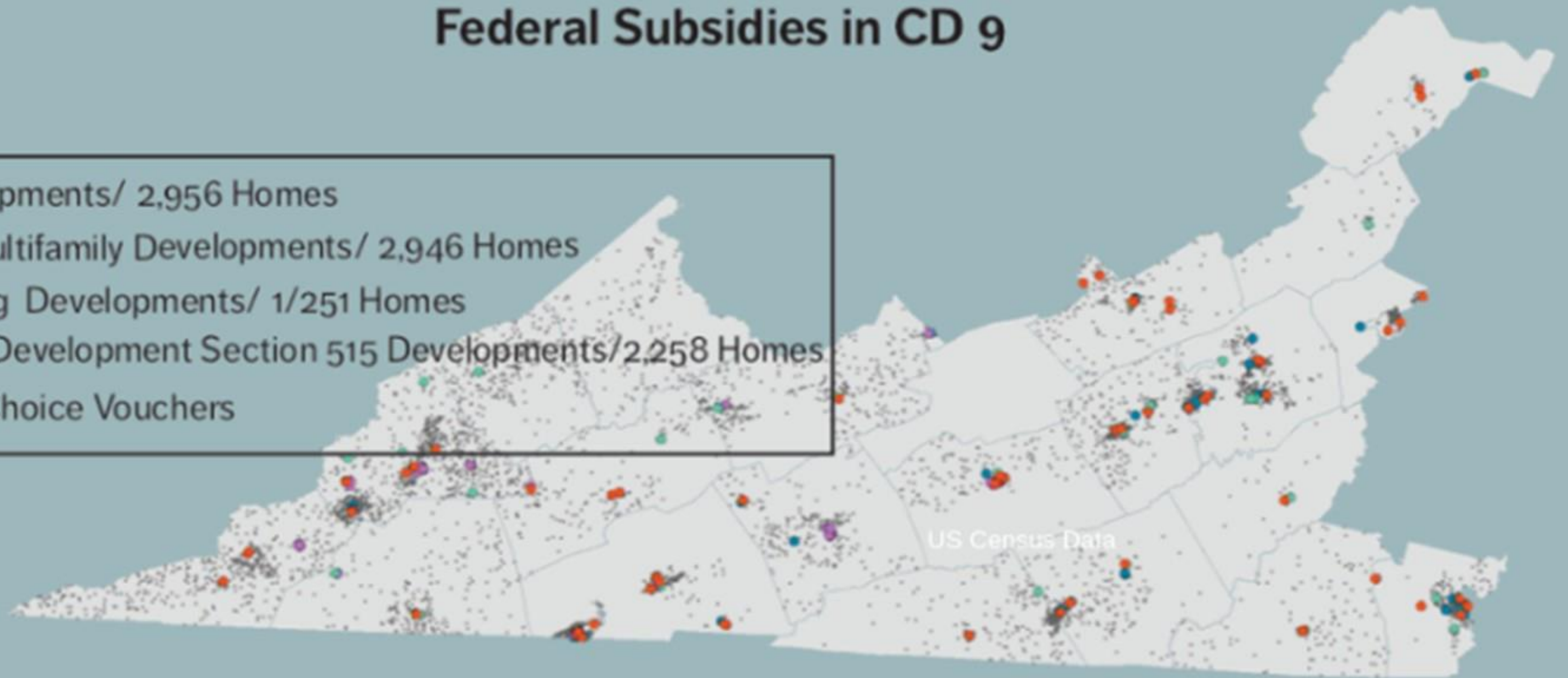
Campaign for Housing and  
Civic Engagement



**OUR HOMES,  
OUR VOICES**

## Federal Subsidies in CD 9

- **74** LIHTC Developments/ 2,956 Homes
- **44** Other HUD Multifamily Developments/ 2,946 Homes
- **11** Public Housing Developments/ 1/251 Homes
- **73** USDA Rural Development Section 515 Developments/2,258 Homes
- **6,702** Housing Choice Vouchers



Each dot on the map represents a type of federal subsidy and a development using that type of subsidy in Congressional District 9. Multiple subsidy types are often needed to make a development/home affordable, therefore there may be several dots per development.

# Market Need

**SWVA Needs to more than double current supply**

The Ratio:

**4:1**



**CURRENT**

15k units

**NEED**

33k units

**UNMET**

18k units



Before the January 2023 Patz regional market studies was released by MRPDC, HOPE made a presentation at the Housing Virginia Most Vulnerable conference that in Wythe alone there is need for 1,000 new housing units in next 2-3 years. Virginia members of Fahe (6 organizations in southwest Virginia—AppCAA, People, BRHA, HOPE, CHP, SERCAP) conservatively estimate that 5,000 new affordable housing units could be filled ASAP.

# Let's Celebrate & Expand Collaboration

## A Big Tent

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•We're happy to explore almost any flavor of housing solutions. •This session today, with a diverse audience, new networks, all interested in being part of the challenges we all face.

## Regional Network Approach

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•Regional networks of non-profit developers bring capacity, technical assistance, advocacy and pass-through funding, such as Fahe, a regional intermediary working in southwest Virginia and central Appalachia, DHCD and VH.

## Social Determinants of Health

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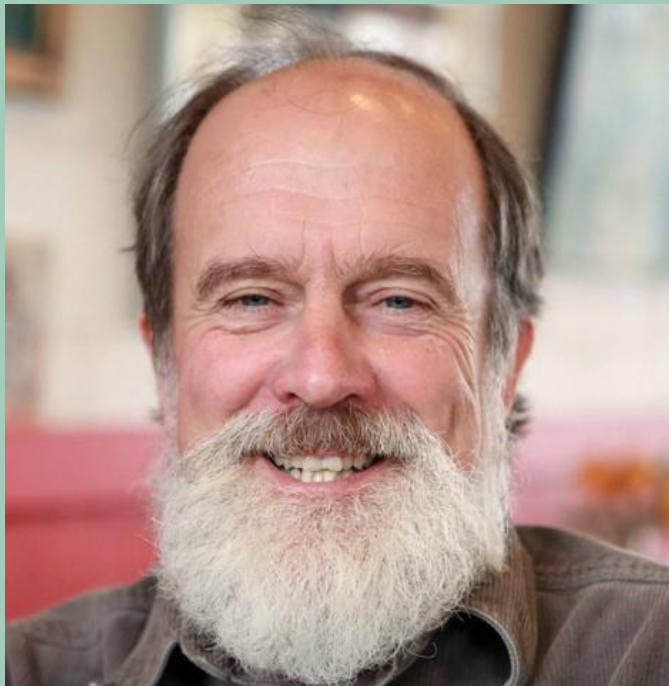
•New collaborative efforts such as Ballad Health Care, and other health care orgs, working with Fahe members in its footprint across SW Va and NE Tennessee.

# Let's Celebrate & Expand Collaboration

If you leave here today with nothing else, I hope you remember our message. Economic developers and locally elected officials need to work hand in hand with local/regional housing developers, particularly affordable or workforce housers. To help you remember, we've reprinted a limited edition of ones, and know that in the very near future, we'll be rolling out a new corporate name and brand.



# Our Team



EXECUTIVE DIRECTOR  
Andy Kegley



DIRECTOR OF FINANCE  
AND HOUSING  
DVELOPMENT  
Jordan Stidham



DIRECTOR OF CRISIS  
HOUSING  
Cris Shinault



HOMEOWNERSHIP  
COUNSELOR  
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# Thank You

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