Virginia’s CDBG Program

- Administered by Virginia since 1982
- Serves Non-Entitlement localities Only units of local government can apply
- Cities Counties
  - Bedford
  - Accomack
  - Campbell
  - Fluvanna
  - James City County
  - New Kent
  - Roanoke
  - Washington
  - Buena Vista
  - Albemarle
  - Caroline
  - Franklin
  - King and Queen
  - Northampton
  - Rockbridge
  - Westmoreland
  - Covington
  - Alleghany
  - Carroll
  - Frederick
  - King George
  - Northumberland
  - Rockingham
  - Wise
  - Emporia
  - Amelia
  - Charles City
  - Giles
  - King William
  - Nottoway
  - Russell
  - Wythe
  - Franklin
  - Amherst
  - Charlotte
  - Gloucester
  - Lancaster
  - Orange
  - Scott
  - York
  - Galax
  - Appomattox
  - Clarke
  - Goochland
  - Lee
  - Page
  - Shenandoah
  - Lexington
  - Augusta
  - Craig
  - Grayson
  - Louisa
  - Patrick
  - Smyth
  - Martinsville
  - Bath
  - Culpeper
  - Greene
  - Lunenburg
  - Pittsylvania
  - Southampton
  - Norton
  - Bedford
  - Cumberland
  - Greensville
  - Madison
  - Powhatan
  - Spotsylvania
  - Poquoson
  - Bland
  - Dickenson
  - Halifax
  - Mathews
  - Prince Edward
  - Stafford
  - Salem
  - Botetourt
  - Dinwiddie
  - Hanover
  - Mecklenburg
  - Prince George
  - Surry
  - Staunton
  - Brunswick
  - Essex
  - Henry
  - Middlesex
  - Pulaski
  - Sussex
  - Waynesboro
  - Buchanan
  - Fauquier
  - Highland
  - Montgomery
  - Rappahannock
  - Tazewell
  - Williamsburg
  - Buckingham
  - Floyd
  - Isle of Wight
  - Nelson
  - Richmond
  - Warren

CDBG Program Overview

- Approximately $20 million
- Program Design establishes overall goals and objectives
- Follows 3 National Objectives
  - LMI Benefit
  - Slum and Blight Removal
  - Needs of a Particular Urgency

Open Submission Programs

- Threshold-based
- Open January 1 – September 30 (as long as funding is available)
  - Exception is Urgent Needs – open through October 31
- Include:
  - Planning Grants
  - Construction-Ready Water and Sewer
  - Community Economic Development
  - Community Development Innovation
  - Urgent Need

Competitive Grants

- Approximately $10 million available
- Proposals received in the Spring
- Project Types
  - Comprehensive Community Development
  - Economic Development
  - Housing
  - Community Facility
  - Community Service Facility

Economic Development

- Two Primary Purposes:
  - Create or Retain Jobs
  - Eliminate Blighting Conditions
- Four Categories:
  - Job Creation and Retention
  - Business District Revitalization
  - Site Redevelopment
  - Development Readiness
- Most ED projects focus on one category, but some focus on more
  - Projects focused on one category eligible for up to $700,000
  - Projects focused on two or more eligible for up to $1 million
  - No more than $700,000 per category
**Downtown Business District Revitalization - Our Philosophy**

- Downtown Revitalization – means ECONOMIC RESTRUCTURING
  - Through the Looking Glass
  - Community Rediscovery
  - Branding
  - Anchoring the Culture
  - A String of Pearls
  - Marketing to the Mirror and Beyond
  - Economic Gardening

**BDR - Realizing the Vision**

- Master Plan
- Pull the Weeds
- Capital Improvements Plan
- Selective Seeding – Culture Related Businesses and Venues

**BDR - Outcomes**

- Job Creation
- Improved:
  - Job Quality (wages / benefits)
  - Job Training
  - Quality of Life
- Blight Removal
- Competitive Advantage

**Getting Started: The Planning Process for BDR**

- Requires significant commitment
- Can take several years
- Emphasizes economic improvement, not simply physical

**Phase I – Initial Activities**

- Determine local resources
- Public meeting
  - Broad range representatives from community
  - Announce widely
- Convene Management Team

**Phase I – Initial Activities**

- Property Inventory / Assessment
  - Uses
  - Vacant
  - Size
  - General Condition
- Business Inventory / Assessment
  - Types of Business
  - Employees
  - Hours
  - Length of Time in Business
  - Peak Hours
  - Rental / Mortgage Cost
  - Overhead
  - Sales
  - Need for High-Speed Telecommunications
  - Need for Improvements
  - Picture
Phase II: Visioning

- Need a skilled facilitator
- Review the Past
- Assess the Present
- Envision the Future

Phase II: Visioning

- Results
  - Understand why the community is here, how it has evolved, and its present status
  - Identify community's assets – what can be built upon
  - Identify challenges and opportunities
  - Energize stakeholders
  - Preliminary vision for the locality
  - Products that can be utilized for future economic restructuring / branding / marketing

- Avoid
  - Focusing on physical improvements or specific projects
  - Accepting that current situation is satisfactory or that a return to the past is the cure

Phase II: Visioning

- Vision Statement
  - Brief statement indicating the growth and renewal a group wishes to experience
  - Is future oriented
  - Provides a broad, inspirational image of the future that you are aiming to achieve

Phase III: Economic Restructuring

- A Plan that:
  - Will address short- and long-term strategies for downtown revitalization and economic restructuring
  - Includes specific types of economic restructuring, steps, and timeframes
  - Selects physical improvements to facilitate / enhance economic restructuring
  - Determines need for engineering and / or architectural assessments needed for next phase

Phase III: Economic Restructuring

- Decide what activities are needed
  - Downtown user surveys
    - Workforce
    - Business assistance
    - Intercept
  - Marketing / Branding
    - How are survey and visioning outcomes to be represented?
    - What can attract local residents and people from outside?
  - Market Analysis – streamlined, practical
  - Develop Market Position Statement
    - Where downtown is or should be “positioned” in the market based on market information, community desires, and realistic expectations

Phase IV: Physical Improvements

- ONLY after all previous activities are completed AND an accepted Economic Restructuring Plan is in place
- Can include the design assistance
  - Facades
  - Streetscaping
  - Infrastructure
  - Physical improvements should reflect the outcomes of the strategic thinking session and the community’s needs
Construction Proposal

- Demonstrate this is highest community need
- Include requests only where proven demand
  - Loans pools with interested clients
  - Business training with identified participants
  - Upper-story housing with target beneficiaries
- Include / demonstrate
  - Economic Restructuring Plan
  - Significant stakeholder involvement
  - Main Street or similar organization
  - Blight identification (all physical and economic)
  - Business agreements
  - PAR / PER / other documents to support costs
  - Telecommunications needs

Upper Story Housing

What is Upper-Story housing?
- Common component of a Downtown Revitalization Project
- Typically the apartments above the commercial space in a building – usually several per building.

Why does DHCD invest in Upper-Story Housing?
- LMI benefit – direct vs. indirect – grant vs. loan
- Bringing people/activity downtown – captive audience for revitalization efforts
- Documented need & demand for apartment rental units within the locality

Upper Story Housing

Rehab of existing Upper–Story units
- Follows DHCD’s guidelines for landlord/tenant situations

Adaptive Reuse/Redevelopment
- Design & construction costs for new rental units in unoccupied space with no residential rental history
- Rents must be reasonable & affordable for the market
- Consideration of cost vs. benefit

More CDBG Tools

- Local Innovation Program
  - Up to $200,000 per project
  - Based on benefit to LMI persons and/or slum and blight removal
  - Targeted investment as part of larger downtown revitalization project
  - Flexible loan terms

- Floyd Example
  - Village Green – 24 jobs
  - Village Square – 5 jobs, 9 housing units (5 LMI)

- Other Possible Activities
  - Microenterprise
  - Individual Development Accounts
  - Telecommunications
  - Self-Help Water and Sewer

Loan Pool

- Revolving loan fund to support businesses in the downtown
  - Used for any capital improvement
    - Equipment
    - Expansion
    - Renovation
    - Improvements
  - Typically $10,000 per job created
  - Default term is 10 years at 3% interest
  - LMI benefit so can be above $700,000

Telecommunications Initiative

- Starts with quality planning
- Emphasizes collaboration and partnership
- Integrates broadband into a community development strategy
- Comprehensive approach, not target of opportunity
- Technology as an asset to strengthen communities
  - Empower local entrepreneurs, enhance education, improve health care, learn/access applications
Telecommunications Initiative

• Community-owned open access network
  – Available to all service providers
  – Allows maximum competition (multiple providers for multiple services)
  – Based on service delivery instead of duplicative infrastructure
• Plan required for implementation funding

Appalachian Regional Commission

• Created through the Appalachian Regional Development Act of 1965
• Mission is to be an advocate for and partner with the people of Appalachia to create opportunities for self-sustaining economic development and improved quality of life

Appalachian Regional Commission

• In Virginia, 25 counties and 8 independent cities are included in the region
• Applications due on October 7
• ARC participation in a project will be limited to 50% of its costs except as follows:
  – Project is located in an ARC-designated distressed county - ARC participation up to 80%
  – Project is located in an ARC-designated At Risk county, ARC participation up to 70%
  – Project is located in an ARC-designated competitive county - ARC participation up to 30%

For More Information

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