



VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Partners for Better Communities

Community Development Block Grant Program

Business District Revitalization

Virginia's CDBG Program

- Administered by Virginia since 1982
- Serves Non-Entitlement localities Only units of local government can apply

Cities	Counties	Campbell	Fluvanna	James City County	New Kent	Roanoke	Washington
Bedford	Accomack	Campbell	Fluvanna	James City County	New Kent	Roanoke	Washington
Breana Vista	Albemarle	Caroline	Franklin	King and Queen	Northampton	Rockbridge	Westmoreland
Doublington	Alleghany	Carroll	Fredrick	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	Graig	Grayson	Louisa	Patrick	Smyth	
Martinsville	Bath	Duppeper	Greene	Lunenburg	Pittsylvania	Southampton	
Norton	Bedford	Cumberland	Greensville	Madison	Powhatan	Spotsylvania	
Poquoson	Blad	Dickenson	Halifax	Mathews	Prince Edward	Stafford	
Salem	Bolshourt	Dinwiddle	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

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

Virginia Department of Housing and Community Development

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%

Appalachian Regional Commission




- **Area Development Program**
 - Bring the region into the economic mainstream
 - Jobs
 - Health, Education, Training
 - Infrastructure
- **Asset-Based Development**
 - Leverage locally-based cultural, natural, community, structural, and economic assets
- **Telecommunications**
 - Support telecommunications plans, system development, technical support, and physical implementation

Virginia Department of Housing and Community Development

For More Information

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