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**VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT**

*Partners for Better Communities*

[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)



# **2017 Industrial Revitalization Fund (IRF)**

## **How-to-Apply Workshop**

**March 16 – Newport News**

**March 24 – Marion**

**April 11 - Lexington**



# Workshop Agenda

1. Introductions
2. IRF Background
3. Qualifying Projects
4. Applying for Funding
  - Narrative
  - Funding Priorities
  - Scoring
  - CAMS
5. Accessing Funds
6. Questions?



*Black History Museum and Cultural Center  
(architect's rendering)  
Richmond, VA*



# BACKGROUND

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# Industrial Revitalization Fund

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**Program to leverage local and private resources to achieve market-driven redevelopment of vacant and deteriorated structures that:**

- Are no longer suited for their former purpose;
- Deter other economic opportunities in surrounding area and region; and
- Once redeveloped could become catalyst for employment opportunities and on-going revitalization.



# 2016 Funding Round

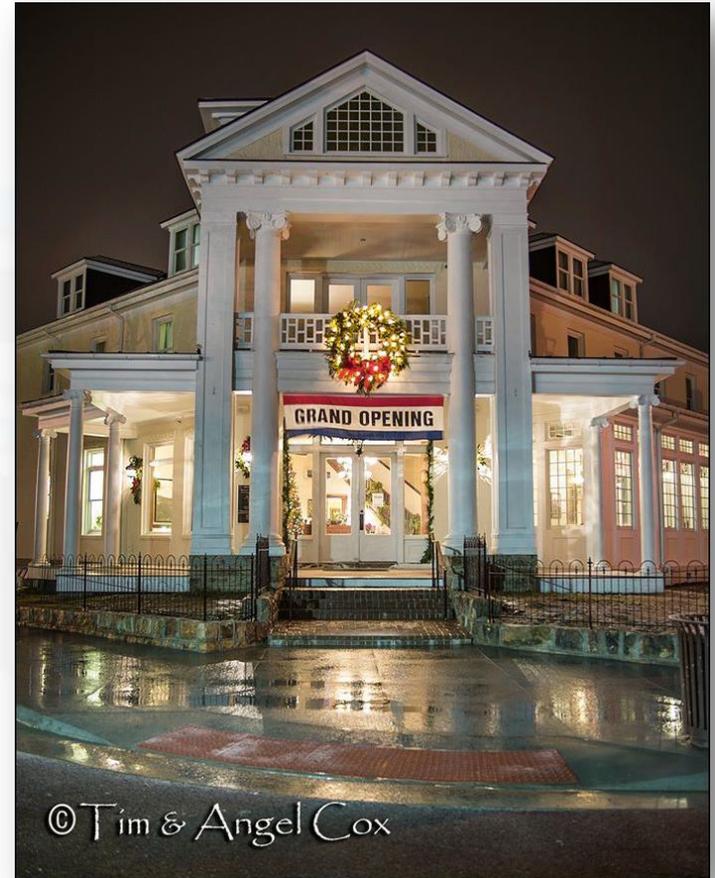
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- **Funding: \$2 Million**
- **Number of Applications: 13**
- **Successful applicants:**
  - **Town of Boones Mill:** Boones Mill Industrial Park Revitalization, \$600,000 Grant
  - **Bedford County:** Woolen Mill Building, \$600,000 Grant
  - **Town of Warrenton:** Wort Hog Brewery, \$600,000 Loan
  - **City of Lynchburg:** Academy of Music Theatre Redevelopment Project , \$186,000 Grant



# 2017 IRF Program

- **\$2 Million in Available Funding**
- **Maximum funding award is \$600,000/project**
- **Payment will be on a reimbursable basis for costs incurred/invoiced.**



*The Inn at Wise  
Wise, Virginia*



# QUALIFYING PROJECTS

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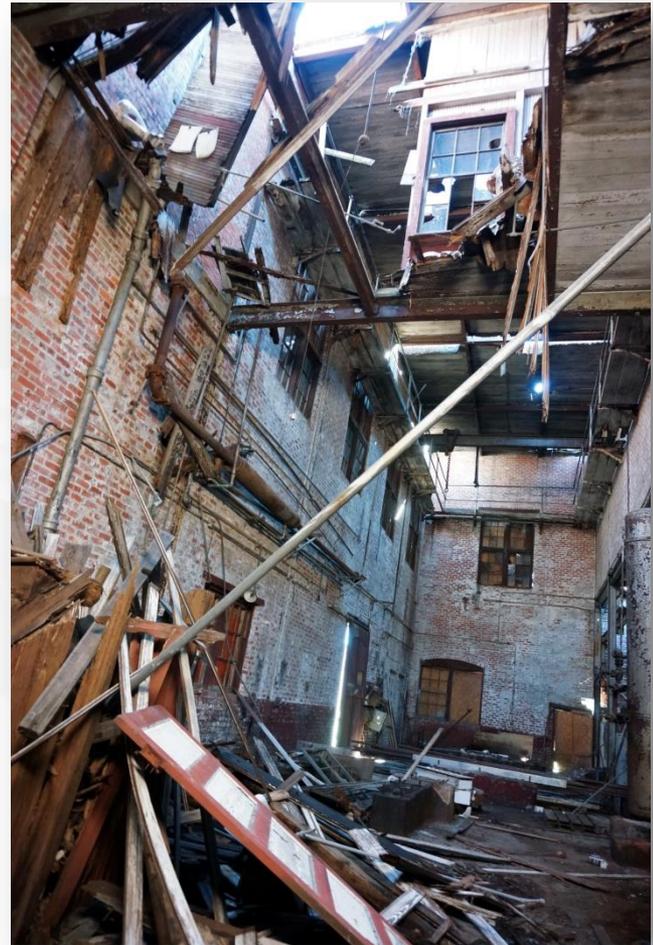
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# Eligible Applicants

- Available to local governments
  - Cities, Counties, Towns
  - Regional or local IDAs and EDAs
  - *Per funding round, only 1 application per locality will be accepted!*



*Petersburg Ice and Coal*



# IRF Grants

## Local Governments may apply for a GRANT if...

- The property is publicly owned.
- Private property has an option agreement or contract in place to purchase at time of application.
- Private property is owned by a non-profit entity.



*Historic Masonic Theatre  
Clifton Forge, VA*



# IRF Grants

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## Conditions:

- Property must be conveyed to locality before grant will be disbursed (if applicable).
- Upon sale of the property to private for-profit entity, IRF grant must be repaid to DHCD.
- May designate Redevelopment Authority or similar organization as the agent for implementation and administration.



# IRF Loans

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**Local Governments may apply for a LOAN on behalf of a for-profit, private entity if...**

- Financing to complete the entire project is in place.
- Project will be ready to close the IRF loan within 6 months from DHCD's award notification.
- IRF loans will not close before primary financing or before commitment letters with a closing date have been issued.



# IRF Loans

## Conditions:

- Virginia Community Capital underwrites loan agreement.
- DHCD awards Grant to VCC, and VCC loans to Developer. Principal and Interest goes to VCC to be deployed for future projects.



*Bolling Wilson Hotel  
Wytheville, VA*



# Standard IRF Loan Terms

The following standard terms and conditions will apply unless a regionally significant project requires more favorable terms:

- 2.5%
- 10 Years
- 1% Commitment Fee; due at IRF closing





# Eligible Properties

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**Not only "Industrial" properties. Any vacant or deteriorated properties!**

- Industrial
- Commercial
- Large-scale non-residential
  - At least 30% commercial
- Multi-Property Projects
  - Must be adjoining



*1908 Schoolhouse  
Marion, VA*



# Examples of Former Uses

## Eligible

- Manufacturing
- Warehousing
- Mining
- Transportation
- Power production
- Department stores
- Theaters
- Hotels
- Shopping centers
- Schools

## Ineligible

- Scattered site projects
- Undeveloped/Vacant Land



*Petersburg Ice and Coal Plant  
Petersburg, VA*



# Eligible Use of Funds

## It's for redevelopment!

- Physical activities:
  - Rehabilitation, repair, demolition, removal
- Acquisition
  - Fair market value



*Black History and Culture Museum  
Richmond, VA*



# Ineligible Use of Funds...

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- **Funds cannot be used for site remediation.**
  - DEQ grants available, ask us for details!
- **Funds cannot be used solely for acquisition or demolition.**
  - Must be committed to redevelopment!
- **Funds cannot be used for projects without a market-based plan for redevelopment.**
  - Must have a planned end-use!
  - Not speculative



# Local Match

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- **A 100% match is required (1:1, IRF:Match)**
  - Example: IRF Request = \$300,000, Match  $\geq$  \$300,000
  - Private or Public sources (Local, state, federal)
  - Cash or documented costs directly related to the IRF project
  - Project funds already invested from **July 1, 2015** to the present may count toward match, but are not reimbursable.



# APPLYING FOR FUNDING

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# 2017 IRF Application

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- **Scores based on Strategy, Blight, Readiness, Impact, Distress, and Matching Funds.**
  - Distress scores are pre-calculated (Appendix A of Application Instruction Manual)
- **Must be submitted in CAMS**
  - DHCD's *Centralized Application Management System*
- **Please review the 2017 IRF Program Design and Application Instruction Manual before starting an application.**



# Application Overview

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- **Project Budget and Narrative**
- **Project Overview**
  - Questions 1-18 Grouped By Funding Priority
- **Other Considerations (Bonus Points)**
  - Questions 19-24
- **Required Attachments/ Supplemental Materials**



*Historic Masonic Theatre  
Clifton Forge, VA*



# Project Budget & Overview

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**Complete the Project Budget in CAMS and provide info on the proposed project in the narrative section...**

- Identify **ALL** activities that need to be undertaken in order to complete the project and return the property to economic use.
- Activities that will be accomplished using IRF must be identified as follows: **Administration, Clearance and Demolition, Building Construction/Renovation or Other.**
- Legal costs associated with any activity above must be broken out in the budget.
- Costs that will be paid for by funds other than IRF and are not included in the budget categories above should be included in the category: **Other.**

# CAMS Budget

## Application Submission

Application ID: 33903032016135238

Project Name: IRF 2017 - Test [Edit?](#)

Program Name: Industrial Revitalization Fund Implementation

Application Start Date: 03/01/2016

Application End Date: 05/19/2016

Status: Incomplete

Project Information

Project Budget

Narrative Information

Attachments

Additional Information

Save This Tab

### Project Budget Information

Please enter your Total Request: \$

Cost/Activity Category		DHCD Request	Other Funding	Total
+ Clearance and Demolition	<a href="#">Add</a> <a href="#">Delete</a>	\$0.00	\$0.00	\$0.00
+ Building Construction/Renovation	<a href="#">Add</a> <a href="#">Delete</a>	\$0.00	\$0.00	\$0.00
+ Other	<a href="#">Add</a> <a href="#">Delete</a>	\$0.00	\$0.00	\$0.00
TOTAL		\$0.00	\$0.00	\$0.00

Budget Narrative:

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# Funding Priorities

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1. Clear relationship to a local or regional economic development **STRATEGY**.
2. High degree of **BLIGHT** and deterioration to be addressed.
3. Project **READINESS**.
4. Project with a clear **END USE**.
5. End use will have a significant economic **IMPACT**.
6. High Economic **DISTRESS** in Project Locality.



# Narrative

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**Questions are related to Funding priority themes Including, but not limited to:**

- Local and regional economic development strategies
- Project prioritization
- Economic/Social Impact of Current Property Condition
- End use and economic outcomes
- Project budget and operating costs
- Matching funds
- Timeline of project activities
- Developer's capacity (if applicable)
- Etc...



# Other Considerations

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## Extra bonus points available for:

- A significant **regional focus** -- revenue sharing agreement or projects cited in a regional economic development plan;
- Eligibility for local real property tax abatement (§58.1-3221) or other **local incentives** to encourage property re/investment;
- Location in an **Enterprise Zone** and ability to qualify for the state and local incentives;
- Location in a **special district**, including Designated Main Street Community status; local, state or federal historic district; a redevelopment or blight removal district; Technology Zone; Tourism Zone or other similar district;
- Location in a current **CDBG project area**;
- Committed leverage **exceeding 1:1 match**.



# Required Attachments

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- **Local Assurances and Authorization – signed by CAO**
- **Resolution Authorizing Application**
- **Property Information**
  - Property Description Sheet
  - Photographs
  - Maps
  - Match Use Chart



*Henderson School of Appalachian Arts  
Marion, VA*



# Supplemental Materials

- Pro-forma
- Developer Resume
- Financial Statements
- Market Feasibility Study
- Environmental Reports
- Letters of Interest/Commitment
- Management and Operation Plans
- Sources and Uses of All funding
- Parts 1 and 2 of Historic Tax Credit Certification





# Strong Projects

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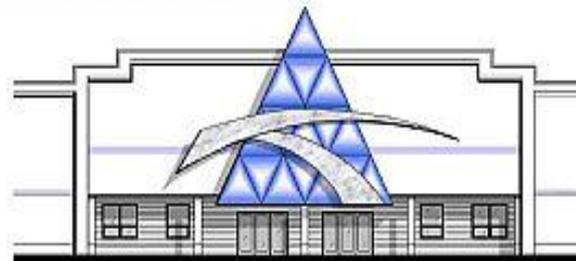
- **Can't be finished without the injection of IRF funds**
- **Contribute to local and regional strategies**
- **Eliminate blight instead of prevent blight**
- **Building has negative impact on surroundings**
- **Developers and Tenants Under Agreement, funding secured ("shovel ready")**
- **Commercial end-uses with job creation**
- **No long-term liability for Locality**



# Regional Strategy

Impacts that reach beyond the building...

→ *block* → *neighborhood* → *town* → *region*





# Scoring

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Economic Development Strategy	15%
Addressing Degree of Blight	15%
Readiness	25%
End-Use & Impact	30%
Distress	10%
Match	5%
	<b>TOTAL 100%</b>
Bonus Points	up to 5%



# Timeline

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- **ASAP: Register your Organization in CAMS**
- **May 19, 2016: Submittal Deadline (11:59 P.M.)**
- **June 2016: Application Review**
- **Summer 2016: Anticipated Award Announcement**



*The Inn at Wise  
Wise, VA*

## Apply Application

Find a Program:

1 Results

1

Page 1 of 1

### Industrial Revitalization Fund Implementation

 [Apply](#)

The Industrial Revitalization Fund (IRF) is to be used for the strategic redevelopment of vacant and deteriorated industrial properties across the Commonwealth. For the purposes of this program, the term "industrial" will be considered to mean any non-residential structure significant to the community due to size, location, and/or economic importance. Remnants of past economic vibrancy and local economies in transition, these structures are no longer suited for their former purpose, and in their current deteriorated condition, stand as significant deterrents for future economic opportunity in the surrounding area and region. The maximum IRF award is up to \$600,000 per project. IRF awards require at least a 1:1 cash match. Only one application per locality will be accepted.

Funding priorities include projects that have a relationship to a local or regional economic development strategy, high degree of blight or deterioration, project readiness, clear end use, clear and significant economic impact, and higher degree of economic distress of the applicant.

To speak with someone about the program, contact Jeff Sadler at [Jeff.Sadler@dhcd.virginia.gov](mailto:Jeff.Sadler@dhcd.virginia.gov) or (804) 371-7069; Tory McGowan at [Tory.McGowan@dhcd.virginia.gov](mailto:Tory.McGowan@dhcd.virginia.gov) or (804) 371-7066; Jordan Snelling at [Jordan.Snelling@dhcd.virginia.gov](mailto:Jordan.Snelling@dhcd.virginia.gov) or (804) 371-7121; Joy Rumley at [Joy.Rumley@dhcd.virginia.gov](mailto:Joy.Rumley@dhcd.virginia.gov) or (276) 676-5471.

More information can be found at: <http://www.dhcd.virginia.gov/irf>

*Application Start Date:* 3/1/2016 *End Date:* 5/19/2016

*Eligible Organization Type:* Localities, State Agency

*Eligible Activity Type:* Community Development, Economic Development, Infrastructure

*Additional Information:* [2017 IRF Application Instruction Manual](#)

- Profile
- Search Programs
- Downloads
- Apply
- Application Status
- View And Manage Projects
- User Guide

## Application Status

Incomplete Applications: [?](#)

Application ID [?](#)

Project Name [?](#)

Withdraw [?](#)

Application ID	Project Name	Program Name	Updated		
12708052013112202	Report Template Test	Building Collaborative Communities	8/5/2013	<a href="#">Edit</a>	<a href="#">Withdraw</a>
8501272014102424	TEST- DHCD DO NOT PROCESS 1/27/2014	BEE Planning Grants - FY 2014	1/27/2014	<a href="#">Edit</a>	<a href="#">Withdraw</a>
15401272014160814	DHCD Test of Competitive Application	Competitive - 2014	2/27/2014	<a href="#">Edit</a>	<a href="#">Withdraw</a>
14801292014164151	CR Test	Construction-Ready Water and Sewer - 2014	1/29/2014	<a href="#">Edit</a>	<a href="#">Withdraw</a>
12401312014141027	Access Test	ARC Access Road	1/31/2014	<a href="#">Edit</a>	<a href="#">Withdraw</a>
15003042014140713	Test	Community Development Local Innovation - 2014	3/4/2014	<a href="#">Edit</a>	<a href="#">Withdraw</a>
18008082014152328	2015 ARC Test	ARC Area Development - 2015	8/8/2014	<a href="#">Edit</a>	<a href="#">Withdraw</a>
21811132014115609	CBL - Test	Community Business Launch - Community Grants	11/13/2014	<a href="#">Edit</a>	<a href="#">Withdraw</a>
22303202015121429	Test	Virginia Enterprise Zone Designation - 2016	3/20/2015	<a href="#">Edit</a>	<a href="#">Withdraw</a>
33903032016135238	IRF 2017 - Test	Industrial Revitalization Fund Implementation	3/3/2016	<a href="#">Edit</a>	<a href="#">Withdraw</a>



# 2017 Program Changes

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- Definition of “Mixed Use”
- Documenting acquisition as match
- Demonstrating long-term sustainability
- Definition of “full-time equivalent”
- New Appendix B – Sample Resolution and Certification
- Added excess leverage as a bonus consideration



# ACCESSING FUNDS

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# IRF Grant Access

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**Contract between DHCD and Locality outlining outcomes, conditions, disbursement and termination.**

- Funds may only be used for expenses incurred after the signing of the contract.
- IRF funds are available only by reimbursement for costs already incurred and paid by the applicant.



# IRF Loan Access

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**Performance Agreement between DHCD, Locality, VCC and Developer outlining outcomes, conditions, disbursement and termination.**

- IRF funding will be released through **VCC** to the private developer **pro-rata** with other funders or once other sources are expended.
- Funds may only be used for expenses incurred after the signing of the contract.



# QUESTIONS?

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# Contacts

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**[www.dhcd.virginia.gov/IRF](http://www.dhcd.virginia.gov/IRF)**