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Executive Summary
Virginia Consolidated Plan, 2003-2007
[State FY 2004-2008]

Introduction

Since 1996, HUD has required the recipients of four federally funded programs to prepare a Consolidated Plan covering the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). The Virginia Department of Housing and Community Development (DHCD) administers each of these programs and is responsible for preparing the Consolidated Plan. Completion of this Plan is required for the Commonwealth to be eligible to receive federal funds allocated for each of these programs. This Plan, which draws upon information developed during the Housing Needs Assessment conducted by VHDA and DHCD in 2001 and more recently released census data, covers the next 5 state fiscal years (2004-2008) and the federal program years 2003-2007.

The state must develop a summary of the proposed Consolidated Plan and provide reasonable opportunities for the examination of its contents, making available to citizens, public agencies and other interested parties information about the amount of assistance the state expects to receive and the proposed range of activities. This summary includes the full text of housing and non-housing priorities, strategies, and actions. In addition, DHCD has posted the full text of the draft Plan on the agency's web site in both a PDF and Word format.

HUD's Consolidated Plan process envisions that housing and community development planning and programming will be accomplished through a unified and comprehensive framework opening opportunities for collaboration and collective problem solving. The Commonwealth of Virginia's Consolidated Plan reflects this outlook.

Taken together, the statutes establishing the various programs subject to the Plan address the following basic goals:

<u>Provide decent, affordable housing opportunities by</u>

Assisting the homeless, preserving existing affordable housing stock, increasing the availability of permanent housing that is affordable to low-income Americans, increasing supportive housing for persons with special needs, providing affordable housing that is accessible to job opportunities and supportive services necessary for the population served.

Provide a suitable living environment by

Improving the livability and safety of neighborhoods, increasing access to quality facilities and services, revitalizing deteriorating neighborhoods, eliminating conditions detrimental to health and safety, and conserving energy resources.

Expand economic opportunities by

Creating and retaining jobs, assisting in stabilizing and expanding small businesses (including micro-businesses), providing access to credit for community development that promotes long-term economic and social viability, and empowering low- and moderate-income persons in federally assisted and public housing to achieve self-sufficiency.

The Consolidated Plan addresses these statutory goals by offering participating local governments and other organizations a chance to shape the various programs into effective community development and housing strategies meeting the needs of low- and moderate-income persons.

Citizen Participation, Coordination and Consultation

Public hearings on the housing and non-housing community development needs addressed in the Plan took place in November 2002 and in April 2003 with the purpose of soliciting information that could be used to develop strategies, objectives, and priorities to address these needs. In addition, a series of focus groups with other agencies, local citizens, and community-based partners took place during April at locations across the state. The agency web site offered an opportunity to post comments for consideration during this period. Focus group sessions used a facilitated approach to identify areas of urgent housing need and recommend approaches for meeting those needs with the available federal and state resources. A public comment period began on May 1, 2003, and is scheduled to conclude on May 30, 2003. Comments received and responses will be included in the final section of the Plan.

The Planning Process

Much of the information on housing needs was developed beginning with existing data contained in previous Consolidated Plans, supplemented with the most recent census material, comments from public meetings and input sessions, and research conducted in response to studies completed during the previous three years. The Housing Needs Assessment was a significant guide to housing needs.

Needs for non-housing community development were generated through data available to the state, from other state agencies and through the efforts of the regional

Planning District Commissions, who provide an annual ranking of the priority needs for their respective localities. The state Department of Health, Department of Environmental Quality (State Water Control Board), and the U.S. Department of Agriculture (Rural Economic Community Development) also provided important information for use in the Plan. Department of Housing and Community Development staff prepared the Plan.

Summary of Housing and Homeless Needs

The core housing and homeless needs continue to reflect the circumstances discussed in previous Plans. In Virginia, a significant number of households experience one or more housing problems (including a lack of complete plumbing, overcrowding, or excessive cost burdens). Renters, especially lower-income renters have higher rates of housing problems. When updated data on housing problems affecting households at various levels of income becomes available through HUD in the next few months, this assessment can be refined further.

A sizeable minority of owner households also experience at least one of the most serious housing problems. In 1990, extremely low-income owners tended to have a higher incidence of housing problems than those with even moderately higher incomes. Again, this observation will be subject to additional verification as special housing tabulations become available.

Areas with unusually high housing costs—including specific jurisdictions, as well as regions (e.g., Northern Virginia) pose particular problems for lower income renters as well as potential first-time homebuyers. In addition, some specific populations—including single heads of households and extremely low-income renters—find it difficult to become homeowners, especially given the extensive front-end costs of homeownership. Concern about the impact of “sprawl” development in high growth areas of the Commonwealth may lead to growth slowing strategies affecting overall housing affordability.

Housing quality problems continue to be an issue in many communities, especially those with older housing stocks and lower overall income levels. A key remaining problem for some elderly homeowners may be substandard housing, especially indoor plumbing.

Homelessness continues to be a significant problem in communities across the State. At least 44,000 people were homeless in Virginia. Many homeless people were in families: a total of 3,854 families (including adults with children) were sheltered in FY 2002. Overall, families comprised a quarter of all households and nearly half of the persons served by shelters in the most recent years. The people in these families made up nearly half of all people served. Children are another population at risk: within the families identified were more than 7,500 children.

In addition to homeless families, many people with disabilities or other circumstances creating special needs were homeless. These include people with mental and physical disabilities, people with AIDS and unaccompanied youth. People with disabilities, such as mental illness, face an increased risk of homelessness because of the generally lower incomes associated with disabilities

Homelessness threatens many Virginians. The number of families living with other households in single housing units increased nearly 90 percent between 1980 and 1990. While the proportion of doubled up families appears to have decreased between 1990 and 2000, the total number of such households nevertheless increased during the decade.

This Consolidated Plan identifies housing needs for populations with special housing needs including people with mental disabilities; elderly people; people with physical disabilities; people with developmental disabilities; substance abusers; and people with HIV/AIDS. The assessment indicates that these populations have two fundamental housing needs: a need for affordable, accessible appropriate housing, and a need for access to a variety of supportive services—but not necessarily rigidly linked to the provision of housing units. There are also indications that even if these populations are not increasing in proportion to the total population, the absolute numbers of persons in each of the special needs categories are increasing and will continue to do so, reflecting the aging of the state's population, changing medical technology, and other factors. Also, aside from limitations that might be associated with a particular disability, the generally lower income levels of many persons within these groups challenges their ability to obtain appropriate housing within their means.

Persons within these subpopulations may require assistance with front-end housing costs (such as security deposits), rental assistance, locating affordable housing, and modifying housing units to make them more accessible. Within the second area, special needs populations require flexible, community-based services that can be provided within single units or group settings. However, to the extent that persons with disabilities are able to live in conventional housing settings, such services do not need to be limited to congregate housing developments or group homes. Flexibility in service provision is also an issue, so that services can accommodate the needs of a given individual or family as those needs change over time.

Summary of Non-Housing Community Development Needs

The non-housing community development needs of localities within the area served by the state Community Development Block Grant (CDBG) area are quite varied. The program is a major source of the funding for these needs. The goal of the CDBG program is to "improve the economic and physical environment in Virginia's

communities and neighborhoods with primary focus on benefiting persons of low and moderate income."

The extent of need is periodically determined through a wide variety of sources. The U.S. Census provides data on housing conditions, income, and other demographic indicators, for example, and a wide variety of state and federal agencies, regional planning agencies and other public and private agencies provide supplement the input received through public hearings and the focus group sessions. All of these sources helped assess non-housing community development needs included within the Consolidated Plan.

DHCD has long recognized that building the capacity of neighborhood organizations and community groups and the development of new working linkages and partnerships to increase the effectiveness of economic and community development efforts is an area warranting continued emphasis. The CDBG program uses planning grant assistance and other means to help neighborhood citizens and other groups to organize themselves for action to pursue development strategies that are designed with their own needs in mind.

As is the case in many states, some Virginia localities are burdened by aging community facility infrastructure needing repair, replacement, or expansion. Some localities need only the improvement of a single facility, such as water distribution or treatment, while others need a combination of both. Water supply is a major area of concern. The recent drought underscored the importance of adequate water supplies for both public health and safety. Estimates of needs in this area range from $500 million to over $2 billion.

Sewage collection and treatment is also a major area of need. As is the case with water systems, sewage systems are expensive in areas of wide population dispersal while many of the older urban systems are approaching or have exceeded their limits of wear and capacity. The EPA's most recent estimate pegged needs through 2016 in this area alone at more than $4.3 billion.

Financing for water and sewer systems is becoming increasingly scarce in an era of budget balancing and cost cutting. The CDBG program, along with Rural Economic and Community Development (USDA), the Virginia Resources Authority (VRA) and the Virginia Water Project are the only practical resources available to many smaller localities to meet future financial needs. Alternative and creative financing methods must be found if localities are to be able to address these needs. The development of regional approaches to resolving infrastructure issues remains an area of interest and concern.

Although economic growth, higher levels of employment, and new or enhanced investment characterized much of the past decade, not all regions of the state shared

equally in these generally favorable trends. Several regions lagged behind the overall state economy, experiencing almost no employment growth or even a decline in total employment based on annual averages over the decade. The current economic downturn, although felt throughout the Commonwealth, also had widely varying impacts in different regions. Manufacturing employment in sectors such as textiles, apparel, and furniture fell sharply in some communities. The most severely lagging regions were located in the southwestern part of the state and the southwestern Piedmont. Issues such as a critical lack of facilities, services, and infrastructure hamper a locality's ability to respond competitively to the needs of business and industry. Capital shortages impede the development of new and expanding industries. The presence of older, blighted commercial districts in some of Virginia's smaller cities and towns as well as larger urban areas also detracts from their competitiveness. The interest in micro enterprise activities remains strong in some areas. Corporate restructuring, the downsizing of the military, and decreasing opportunities for employment in traditional job markets fuel the potential for additional micro enterprise growth.

The 2000 Census indicated that there were over 19,000 occupied housing units in Virginia without indoor plumbing. Many, though not all, are in rural areas. The more isolated the area, the greater the likelihood of a higher percentage of these units. Communities with slow growth or shrinking populations tend to have higher levels of households without indoor plumbing. The quality and affordability of Virginia's housing stock varies between urban, suburban, and rural localities. Units in need of rehabilitation in rural and small town settings require access to financing that may be in short supply in those areas. Site development costs for upgraded or rehabilitated housing may be particularly burdensome in communities that are more rural.

Virginia also recognizes the needs of its many neighborhoods and rural residential communities. Many of these neighborhoods have a multiplicity of needs not easily addressed. Often the impact of multiple physical needs in a concentrated area has a spillover effect on the social well being within these areas. Disinvestment is accelerated, homeownership is not as attractive, and a downward spiral of decline results. Much of the data presented under the housing and community facilities sections of the Plan are also relevant to neighborhood needs in that households located in neighborhoods are a subset of all households reporting a water, sewer or housing need.

Summary of Housing Priorities, Strategies, and Actions

DHCD is required to prepare and submit to the U.S. Department of Housing and Urban Development a one-year Consolidated Plan Action Plan (CPAP), including priorities and strategies for implementing the following federally funded programs:

- HOME Investment Partnerships (HOME)
- Emergency Shelter Grants (ESG)

•Housing Opportunities for Persons with Aids (HOPWA)
•Community Development Block Grant (CDBG)

The resources, which are anticipated to implement the state's FY2004 activities for HOME, ESG, and HOPWA, and CDBG, are listed on the following page. All federal funds are for the federal fiscal year 2003, although the state's designated program year is FY 2004 beginning July 1, 2003. These are approximate figures only.

Using HUD 2003 program funds and other resources shown below during State FY 2004, DHCD proposes to implement housing and community development programs through partnerships with local governments, nonprofit housing providers, private, for-profit housing providers, and other state agencies including the Virginia Housing Development Authority.

Estimated Resources

Resources	Federal	Estimated Program Income[1]	Prior Year Funds Carried Forward
HOME	$15,802,000	$18,463	$2,383,130
Emergency Shelter Grant	$1,421,000	0	$31,519
Child Care for Homeless Children Grant	$450,000	0	0
Housing Opportunities for Persons with AIDS	$646,000	0	$616,000
TANF Homeless Families Program Support	$4,910,128	0	0
Weatherization [DOE]]	$3,946,656	0	0
Low Income Home Energy Assistance Program	$5,162,478	0	0
Lead-Based Paint Grant[2]	$2,160,00	0	0
Supportive Housing [3]	$0	0	0
Derelict & Abandoned Housing Program	$0	0	0
Community Development Block Grant [4]	$24,359,000	$188,501	$2,124,099
Disaster Recovery[5]	$0	0	0
Appalachian Regional Commission	$3,500,000	0	0
Federal Subtotal	$60,199,422	0	0
Child Service Coordinator	$360,000	0	0
State Low-Income Housing Tax Credits	$500,000	0	0
New Affordable Housing Fund Initiatives[6]	$15,000,000	0	0
General Funds for Housing Programs [7]	$10,217,945	0	0
State Subtotal	$26,077,945		0
TOTAL	$86,277,367	$206,964	$5,154,748

NOTES: [1]The CDBG figure was based on the income reported through the PER for the CDBG program.

[2] DHCD received a HUD Round 10 Lead-Based Paint Hazard Control Grant that began February 2003 and will extend for a period of 30 months. The grant will be expended over 30 months.
[3]This includes Permanent Housing for Handicapped Homeless and Supportive Housing.
[4] This includes $2,992,370 from 2002 Letters of Intent to Fund in 2003; $18.3 million for a variety of Community Improvement Grants; $500,000 for Planning Grants; $838,840 in 2000 multi-year housing projects, $1 million for the dry well replacement program, with the balance being used for state administration and technical assistance. It does not include prior year returned funds, prior year program income or estimated program income for the 2002 Program year.
[5]All 1997 (Hurricane Fran) and 1998 (Hurricane Bonnie) Disaster Recovery Initiative funds covered by their respective DRI Action Plans have been placed under contract.
[6] DHCD anticipates that this amount will be the revenue from the sale of the Virginia Housing Partnerships Fund (VHPF) as mandated by the 2003 session of the Virginia General Assembly. Funds obtained from the sale of the VHPF will constitute a new fund that will serve primarily as a resource for predevelopment expenses and special projects for hard-to-do and special needs projects on potential AHPP deals. DHCD will use HOME funds to leverage this fund.
[7] More detail on the use of state resources is included in the Housing Budget. Money for the Indoor Plumbing Program is included. State Child Service Coordinator and Weatherization funding is considered separately.

Reprogrammed Funds	**Fiscal Year**					
HOME	1997	1998	1999	2000	2001	2002
AHPP	($289,883)	($421,528)	($507,080)	($728,900)	($1,120,550)	
Home Ownership				($31,350)	($810,550)	$133,330
IPR	$296,283	$452,684	$905,976	$1,453,885	$3,704,872	
Transitional Housing				($270,000)	($550,000)	$303,000
HOME Match						($425,000)
CHDO Operating				$315,000		
Single Family Rehab						$108,500
Admin	($6,300)			($671,000)		
Program Income	N/A	($31,156)	($398,896)	($67,635)	($257,346)	($119,830)
ESG-SHARE			($4,257)	($74,486)	($54,104)	($31,519)
ESG-Pilot Program					$54,104	$31,519
HUD Recapture			$4,257	$74,486		
HOPWA						
CDBG						$2,124,099

Meeting Priority Needs and Specific Objectives

The following section includes the priorities and strategies identified in DHCD's 2003-2003 Consolidated Plan that will govern the State's use of housing and non-housing (community development) resources. Actions identified are those that will be pursued in state FY 2004.

Affordable Housing

GOAL

Improve the economic and physical environment in Virginia's communities through implementation of activities which primarily benefit low- and moderate-income persons, prevent or eliminate slums and blighting conditions, or meet urgent needs which threaten the welfare of citizens.

The following three broad priorities govern the use of the State's housing funds, addressing the affordable housing and homeless needs, including those for persons with disabilities as well as other special needs, identified in the Consolidated Plan:

- Increasing the availability and affordability of safe, decent, and accessible housing to low and very low-income persons;
- Increasing the ability of communities to implement creative responses to community-based needs;
- Supporting policy development and research related to significant economic development, community development, and housing issues;

PRIORITY: INCREASE THE AVAILABILITY AND AFFORDABILITY OF SAFE, DECENT, AND ACCESSIBLE HOUSING TO LOW AND VERY LOW-INCOME PERSONS.

Objective: Support homeownership opportunities to a minimum of 400 low and very low-income persons annually.

Strategy: Increase affordability of home ownership through down payment and closing cost assistance through the Single Family Loan

Strategy: Work with VHDA to determine feasibility of use of Section 8 vouchers as a means of providing home ownership for low-income individuals in one rural community and for disabled in two urban communities.

Strategy: Provide predevelopment and operating funds to CHDO's to increase capacity and unit production.

Strategy: Increase capacity of non-profit developers to produce affordable home ownership opportunities through on-site technical assistance and training through the Office of Community Capacity Building in cooperation with VHDA

Strategy: Develop a more prescriptive affirmative marketing strategy and plan for use by DHCD and its sub-recipients, including administrators of the Single Family Loan Fund.

Objective: Increase the availability of affordable rental units by a minimum of 200.

Strategy: Allocate over $4.5 of HOME funds through the Affordable Housing Preservation and Production program to support production, preservation and predevelopment of at least four multi-family developments.

Strategy: Provide planning and other technical assistance for very low and special needs housing development, as well as, general technical assistance on the development process and accessing resources.

Objective: Address sub-standard living conditions, health, accessibility, and safety deficiencies for 1,500 low-income, disabled, elderly and special needs households.

Strategy: Determine feasibility of rehab fund to address the accessibility needs of the elderly and disabled.

Strategy: Provide rehabilitation assistance for repair needs for properties identified through the Lead Hazard Control grant.

Strategy: Allocate $5 million to the Indoor Plumbing and Rehabilitation program and through the Community Development Block Grant program.

Strategy: Implement pilot program to address the rehabilitation and energy efficiency of transitional housing project and assess impact on operational costs.

Strategy: Use HOME Match and Supportive and Transitional Housing programs to support the development of transitional and permanent supportive housing options for homeless, disabled and others.

PRIORITY: INCREASE THE ABILITY OF COMMUNITIES TO IMPLEMENT CREATIVE RESPONSES TO COMMUNITY-BASED NEEDS.

Objective: Support the development of regional approaches and best practices for addressing the affordable housing needs in Virginia.

Strategy: Facilitate the development of three regional plans for addressing the housing needs of homeless and other low-income special needs populations in at least three communities.

Strategy: Support the Housing Virginia Campaign and its efforts to educate the public about the importance of affordable housing in communities throughout Virginia.

Strategy: Highlight successful approaches to meeting the challenge of affordable housing at the Governor's Housing Conference.

Strategy: Partner with the Virginia Housing Development Authority's Housing Initiative Team to target underserved communities through training and technical assistance.

Strategy: Develop program guidelines and implement new Commonwealth Priority Fund to best address unmet housing needs in collaboration with community-based housing organizations.

PRIORITY: Support policy development and research related to significant economic development, community development, and housing issues.

Strategy: Work with the Virginia Housing Commission in its studies on visit-ability and mold.

Strategy: Review the reports of the Virginia Disability Commission and the Olmstead Study Commission and consider recommendations in the development of the FY2004 Action Plan.

Strategy: Working with the Virginia Interagency Council on Homelessness and through the federal-sponsored Policy Academy develop Virginia's plan to address the housing needs of the homelessness.

Housing for those with Special Needs

PRIORITIES FOR ADDRESSING THE NEEDS OF THE HOMELESS (ESG) AND PERSONS WITH AIDS (HOPWA)

PRIORITY 1: INCREASE THE AVAILABILITY AND AFFORDABILITY OF SAFE AND ACCESSIBLE HOUSING THROUGHOUT THE COMMONWEALTH.

Objective A: Identify and pilot at least two (2) additional housing options available and affordable to special needs populations requiring supportive services and document outcomes by end of FY2007.

Strategy: Educate provider dealing with special populations on non-development methods of accessing rental housing.

2003 Action: Contract with AIDS Housing of Washington to provide training to HOPWA sponsors and update of the HIV/AIDS Needs Assessment

Strategy: Contract with two community-based programs to provide tenant-based and/or project-based rental assistance to 40 chronically homeless adults by 2007. .

2003 Action: Develop program design for the use of tenant-based rental assistance to overcome chronic homelessness in adults in collaboration with the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services using HOME funds.

Strategy: Increase the housing stock accessible to homeless individuals and families.

2003 Action: Convene meeting in Planning District 9 to develop opportunities for collaborative approaches to the housing needs of persons leaving shelters.

2003 Action: Support development of two transitional housing projects in areas located outside funded Continuum of Care jurisdictions.

2003 Action: Provide match to two new Supportive Housing Program projects providing transitional or permanent supportive housing.

Objective B: Insure that 23,000 homeless persons receive service that result in at least 35% moving from homelessness into transitional or permanent affordable housing.

Strategy: Provide financial and technical support for operations of emergency shelters, including day shelters and winter shelters, and transitional housing facilities to result in adequate shelter for homeless individuals and families.

Strategy: Leverage Emergency Shelter Grant with state and other federal funds to insure safe and supportive housing individuals and families experiencing homelessness to insure the availability of shelter beds.

2003 Action: Maximize per bed funding for 100 shelter providers providing at least 4,500 beds.

2003 Action: Fund at least 40 child services coordinators in 25 shelters to address health, mental health and educational needs of homeless children.

2003 Action: Provide $425,000 through funds available from the Department of Social Services in childcare assistance that will allow parents to locate and keep employment.

2003 Action: Minimize operating costs and accessibility of shelters through development of weatherization and accessibility rehab grants to be made available through the reallocation of administrative funds.

2003 Action: Increase the accessibility and affordability of transitional housing for homeless families by providing weatherization and accessibility grants to be made available through the reallocation of administrative funds.

Objective C: Insure safe and affordable housing with supportive services is available to low-income persons with HIV/AIDS and their families.

Strategy: Insure that project sponsors receive maximum allowable payments for housing and supportive services provided.

2003 Action: Hold annual meeting of providers to update on program policies and procedures and reimbursement policies.

2003 Action: Generate a new regional program in an unserved rural area.

PRIORITY 2: INCREASE THE ABILITY OF COMMUNITIES TO IMPLEMENT CREATIVE RESPONSES TO COMMUNITY-BASED NEEDS.

Objective A: Maximize the use of federal resources for homeless programs by insuring statewide coverage by continuums of care

Strategy: Use HOME administrative funds to ensure participation of every jurisdiction in Virginia in a Continuum of Care planning effort.

2003 Action: Provide technical assistance and funding support to at least one unfunded Continuum of Care and to two new regional planning groups.

Strategy: Encourage the coordination of services and programs for populations in need.

2003 Action: Identify a project sponsor to administer the Housing Opportunities for People Living with AIDS/HIV Program (HOPWA) in the Middle Peninsula, and provide training and technical assistance related to implementation of the program.

2003 Action: Provide technical assistance to HOPWA project sponsors on a continuing basis as well as conduct an annual workshop that will foster information sharing to ensure that providers are aware of relevant programs, policies, and resources.

2003 Action: Encourage all project sponsors to participate in a local or regional continuum of care planning endeavor.

PRIORITY 3: SUPPORT POLICY DEVELOPMENT AND RESEARCH RELATED TO SIGNIFICANT ECONOMIC DEVELOPMENT, COMMUNITY DEVELOPMENT, AND HOUSING INITIATIVES.

Objective A: End homelessness by the year 2013.

Strategy: Develop and implement a statewide strategic 10-year plan to minimize the number of persons becoming homeless and reduce the duration of incidents of homelessness by June 30, 2003.

2003 Action: Contract with the Virginia Housing Research Center for the development of a 10-Year Plan to End Homelessness.

2003 Action: Introduce the 10-Year Plan for comment and next steps at the Governor's Housing Conference in November 2003.

Objective B: Address non-metropolitan (rural) homelessness more effectively.

Strategy: Provide financial and technical support for comprehensive services and assistance to result in a decreased number of evictions and foreclosures that cause homelessness and in decreased lengths of episodes of homelessness.

Strategy: Provide financial and technical support for computer technology for client intake procedures, tracking and reporting to result in improved access to services, decreased duplication of services, and facilitate changes in ineffective service approaches.

Strategy: Provide financial and technical support for computer technology for client intake procedures, tracking and reporting to result in accurate demographic data, leading to effective evaluations of programs and services available to or needed by the target populations.

Strategy: Use ESG essential services and prevention categories for a pilot project in non-metropolitan jurisdictions, emphasizing housing and prevention and essential services necessary to maintain housing.

2003 Action: Select through a competitive application process and fund one regional project to provide housing and prevention services, and essential services necessary to maintain housing.

CDBG Housing Priority

PRIORITY: To assist local governments in conserving and improving housing conditions.

Provide financial and technical support for housing rehabilitation *to result in reducing substandard housing conditions, conserving local housing stocks, stabilizing declining neighborhoods, promoting homeownership options, improving standards of living, and enhancing the attractiveness of the community.*

Provide financial and technical support for acquisition and improvement of sites and/or facilities for low- and moderate-income housing *to result in reducing the number of Virginia citizens in substandard housing, increasing the supply of housing, improving local standards of living, expanding housing opportunities, improving the quality of public facilities serving low- and moderate-income housing, and providing or improving basic public facilities serving low- and moderate-income housing.*

Other Community Development Priorities Receiving CDBG Assistance

PRIORITY: To assist local governments in improving neighborhoods and other areas through comprehensive community development programs.

Provide financial and technical support for the comprehensive improvement of residential areas *to result in revitalized neighborhoods including improved housing, water, sewer, road, and drainage conditions.*

PRIORITY: To assist local governments in increasing business and employment opportunities through economic development programs.

Provide financial and technical support for the acquisition, development, rehabilitation, or expansion of business and industrial sites and facilities *to result in raising wage levels, retaining existing jobs, generating new jobs and employment opportunities, generating long-term employment, diversifying and expanding local tax bases and economies, and reducing the out-commuting of workers and out-migration of residents.*

Provide financial and technical support for the acquisition, development, and revitalization of commercial *districts to result in increasing retail sales and property values in stagnating or declining commercial districts, retaining existing businesses, increasing the opportunities for small businesses in commercial districts, retaining existing jobs, and strengthening local tax bases.*

Provide financial and technical support for the development of entrepreneurial assistance programs including microenterprise assistance, business incubators, and similar efforts *to result in creating assets among low-income persons, increasing employment opportunities, reducing unemployment, increasing wage levels, generating new jobs, generating long-term employment, and diversifying and expanding local tax bases.*

PRIORITY: To assist local governments in improving the availability and adequacy of community facilities.

Provide financial and technical support for acquisition of sites or rights-of-way for community facilities such as water, sewer, drainage, and streets *to result in providing basic facilities in areas where they are lacking.*

Provide financial and technical support for the installation, rehabilitation, or improvement of community facilities such as water, sewer, drainage, and streets *to result in providing basic facilities in areas where they are lacking, improving the quality of inadequate community facilities, enhancing the development potential of communities, and eliminating conditions detrimental to health, safety, and public welfare.*

PRIORITY: To assist local governments in improving the availability and adequacy of community service facilities.

Provide financial and technical support for the acquisition of sites and/or structures for community services facilities *to result in providing new or expanded community services.*

Provide financial and technical support for the construction, rehabilitation, or improvement of community service facilities *to result in developing new structures, or rehabilitating or improving existing structures for the provision of new or expanded community services.*

PROPOSED USES

HOME Activities	Amount	Carryover Funds	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
CHDO-Operating Assistance	2003 - $0.00 Continued use of 2002 allocation	$437,538	NA	Up to $50,000 or % of CHDO operating Budget, whichever is greater	Open: 11/1/02 until all funds are committed	Evaluate in April 2004. Unused funds will be reallocated to another HOME-eligible activity.	NA
Affordable Housing Preservation & Production	$4,500,000 with up to $237,030 available for predevelopmen t activities	$522,295	Program income returns to DHCD and will be reallocated to HOME-eligible activities	Up to $500,000 per project based on HUD program guidelines	Open: 9/1/03 until all funds are committed	Evaluated in April 2004. Decision to either to carry into FFY2004 or reallocate to another HOME-eligible activity.	200 units produced or rehabbed for homeownership or rental by targeted population
Indoor Plumbing Program	$5,000,000	$113,257	Program income returns to DHCD and will be reallocated to HOME-eligible activities	Allocation formula based on population, per capita income, households lacking plumbing and overcrowding	Open: 9/1/03	Funds not used by January 1 revert to incentive pool and made available to other sub-recipients	300 housing units provided with rehabilitation and indoor plumbing
Single Family Regional Loan Fund	$3,721,800 plus program income	$1,201,500	Program income returns to DHCD and will reallocated to regional administrators based on usage	Allocations formula based on prior use and market conditions	Open: 9/1/03	Evaluated in April 2004. Decision to either to carry into FFY2004 or reallocate to another HOME-eligible activity.	400 new income-eligible homeowners

HOME Activities	Amount	Carryover Funds	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
HOME Match for Supportive Housing	$600,000		NA	Up to $200,000 Non-competitive	Open: Available at time of HUD commitments anticipated in April 2004	Funds will be redistributed to another HOME-grantee awarded supportive housing grants if not requested within 12 months of commitment.	• 12 beds of permanent housing for persons with disabilities • 14 beds of transitional housing • 6 one-bedroom apartments for permanent supportive housing
SHARE Expansion Transitional Housing	$400,000		NA	Up to $200,000 Non-competitive	Open As received	Funds will be redistributed to another HOME-grantee awarded supportive housing grants if not requested within 12 months of commitment.	TBD
Transitional Housing Rehab Program (pilot)	$200,000		NA	Up to $200,000 Competitive	Open: 10/30/03 Close: 12/1/03	Carryover to next FY or may be reallocated to another HOME-eligible activity	Determine cost impact of rehabilitation services on operational costs of transitional housing facilities
Administration	$ 1,380,200	$108,500					
Program Income	$ 18,463		Estimated				
Total	$15,820,463	$2,383,090					

Emergency Shelter Grant Activities	Amount	Carryover Funds	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
Shelter Operations	$1,199,950	$31,319	NA	$402 per bed Non-Competitive	Application 4/30/03 Award: 6/15/2003	Funds not used during grant year will be carried over to next year's funding or reallocated to current recipients for operations or special projects.	Fund 70 sub-recipients and a minimum of 2,300 beds
Housing and Prevention (Pilot)	$ 150,000		NA	$150,000 Competitive	Application: 6/5/03 Award: 7/14/03	Funds not expended by 6/30/04 will be used to extend project into next grant year or reallocated to per bed funding in next grant year.	Housing and supportive to at least 50 homeless households
Administration			NA	5% of total grant			
Admin allocated to sub-recipients	$ 3,925		NA	5% of award to local government sub-recipients only			
DHCD	$ 67,125		NA				
Total Grant	$1,421,000	$31,319	$14,525.19				

CDBG Activities	Amount	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
2001 Multi-Year Housing Projects	$ 838,840		N/A	N/A		
2002 Letters of Intent	$ 2,992,370		N/A	N/A		
Planning Grants	$ 500,000		$10,000 for Community Organizing grants; $25,000 for Project Planning grants	Open January 1, 2003 through September 30, 2003		
Dry-Well Replacement	$ 1,000,000		$5,000 per house	Open		
CIG: Community Economic Development Fund	**$ 4,000,000**			Open January 1, 2003 through September 30, 2003		
Community Development Innovation Fund	**$ 2,000,000**			Open January 1, 2003 through September 30, 2003		
Urgent Need Open Submission	**0**		N/A	Open January 1, 2003 through September 30, 2003		
Competitive Grants	**$12,311,570**	Program Income received during the 2003	Economic Development: $700,000-$1.million:	Applications due March 26, 2003		

CDBG Activities	Amount	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
			Comprehensive $1 –1.4 million for; Housing; $1 million ($25,000 per unit limit); Regional: $2million; Facilities: $1 million; Service Facilities: $700,000.			
State Administration	**$ 487,480**	N/A	N/A	N/A	N/A	
State Technical Assistance	**$ 243,740**	N/A	N/A	N/A	N/A	
Total	**$24,374,000**	Funds returned as Program Income during the 2003 Program Year will be allocated in accordance with the policies described in the Program Design.			Funds cancelled or returned to the Program or funds returned as Program Income during the 2003 Program Year will be allocated in accordance with the policies described in the Program Design.	

HOPWA Activities	Amount	Carryover Funds	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
Operations and Supportive Services	$ 581,400		NA	HUD formula Non-competitive	Application: 1/16/04 Award: 4/16/04	NA	
Administration			NA	10% of total grant			
Admin allocated to sub-recipients	$ 45,220		NA	7% of award			
DHCD	$ 19,380			3% of award			
Total	$ 646,000	$616,000	$1,260,000				

ADDITIONAL PROGRAM AREAS	STATE GRANT OR CREDIT	OTHER FEDERAL FUNDING SOURCES
State Low income Housing Tax Credit	$500,000	0
Assisted Living	0	0
Match for New Affordable Housing Fund Initiative	$15,000,000	0
Weatherization & Other Energy Assistance	0	$9,109,134
Emergency Home Repair	$352,725	0
Lead Based Paint	0	$2,160,000
Indoor Plumbing and Rehabilitation Loans	$2,880,000	0
Disaster Recovery Initiative[1]	0	0
Derelict Structures	0	0
Shelter Expansion/Transitional Housing Program	$406,100	0
Shelter Operations and Support Services	$1,709,120	$2,370,000
Emergency Shelter Grants	0	$1,421,000
Homelessness Prevention	$4,500,000	$1,500,000
Services to Homeless Children	$360,000	$1,360,000
[Capacity Building Program]	$200,000	0
Appalachian Regional Commission	0	$3,500,000
TOTAL	$25,907,945	$21,420,134

Action Plans

An individual annual action plan covering CDBG, HOME, ESG and HOPWA will be prepared for each year covered by the Consolidated Plan. The 2004 Action Plan is incorporated in the Consolidated Plan. Subsequent action plans will be prepared and submitted to the U.S. Department of Housing and Urban Development (HUD) annually. The action plans will contain information on federal and other resources expected to be available to address the priority needs and objectives of the Consolidated Plan and a description of the state's method of distribution of funds received from HUD.

Method of Fund Distribution

DHCD will use a variety of fund distribution methods as indicated to allocated federal program funds to its partners. In some cases, where open submission or fixed allocations are provided, program funds remaining unused may be reallocated using methods outlined in the program design for each of the four Consolidated Plan programs.

Amendment Process

Any change in eligible activities or method of distribution of funds exceeding 15 percent of the program funds as contained in the final Consolidated Plan is subject to an amendment process. The State will conduct one 1) public hearing in Richmond for such changes. Notification will be made through DHCD's mailing list and through publication in the newspapers previously listed. A thirty-day comment period will be provided. A summary of any comments received and agency responses will be attached to the substantial amendment of the Consolidated Plan.

Performance Reports

Any performance report submitted to HUD relative to the Consolidated Plan is subject to citizen participation and comment. The state will provide reasonable notice of the comment period through newspaper advertisements approximately two weeks in advance and through posting on the agency's web site. A period not less than fifteen *(15)* days will be allowed to receive comment on any performance report before submitting it to HUD. The performance report may be reviewed at DHCD's offices after alerting DHCD at least five *(5)* working days in advance. Summaries of comments received will be attached to the performance report.

Public Review of Documents

The following documents will be available to the public (citizens, public agencies, and other interested parties) at DHCD's offices, if DHCD first receives a request for the

document five *(5)* working days in advance: the Consolidated Plan, any substantial amendments to the Plan, the performance reports, records relating to the foregoing three documents, and the state's use of assistance available under Community Development Block Grant, HOME, Emergency Shelter Grants, and Housing Opportunities for People with AIDS programs during the five-year period preceding the year of the request. These documents will be available upon request in a form accessible to persons with disabilities: the Consolidated Plan, substantial amendments to the Plan, and performance reports.

Complaint Process

The State will provide a substantive, written response to written complaints regarding the Consolidated Plan, substantial amendments to the Plan, and performance reports within fifteen (15) working days, where practicable

Virginia Consolidated Plan
Citizen Participation Process

A. STATE RESPONSIBILITIES

The State is required to adopt a citizen participation plan that sets forth the State's policies and procedures for citizen participation in the development of the State's Consolidated Plan, any substantial amendments to the plan, and the annual performance report. Before adoption of the citizen participation plan, the State will make the plan public by notifying each unit of local government and Planning District Commissions, and through the Department's mailing list of citizens, organizations, and service providers. The State intends to make such notification on or about April 30, 2003 and will allow thirty days (30) for comment.

It is the intent of the citizen participation plan to provide for and encourage citizen participation in the development of the Consolidated Plan, any substantial amendments to the plan, and performance reports. Especially encouraged to participate are low-and moderate-income (LMI) persons, particularly those having in slum and blighted areas and by residents of LMI neighborhoods, including minorities and non-English speaking persons, as well as persons with disabilities.

The Commonwealth proposes to publish the proposed Consolidated Plan in a manner that affords citizens, units of general local governments, public agencies and other interested parties a reasonable opportunity to examine its contents and to submit comments. The proposed Consolidated Plan will include the amount of assistance the Commonwealth expects to receive and the range of activities that may be undertaken under various programs included in the Consolidated Plan and annual Action Plan, including the projected amount that will benefit persons of low and moderate income and the plans to minimize displacement of persons and to provide assistance to any persons displaced.

In April, the State intends to publish a notice of the proposed Consolidated Plan describing the content and purpose of the proposed plan including a list of the locations where copies of the entire proposed plan may be examined. This will be published in the following newspapers:

Norfolk *Virginian-Pilot*
Potomac *News*
Richmond *Times-Dispatch*
Roanoke *Times & World News*
Bristol *Herald-Courier*

Notification of the availability of the plans will be made available through DHCD's mailing list of citizens, organizations, and service providers. In addition, copies of the proposed plan will be made available to each Planning District Commission. A reasonable number of copies will be made available to citizens and groups that request them. In addition, the text of the Plan will be made available in a PDF format on the agency's web site: www.dhcd.state.va.us.

Public Hearing Process

The State proposes to conduct at least two (2) public hearings relative to the adoption of the Consolidated Plan. A hearing covering housing and community development needs and strategies to meet identified needs will be conducted each fall. A final public hearing on the proposed Consolidated Plan will be conducted in April. In addition, workshops and focus groups or similar meetings will be convened prior to publication of the draft plan in order to solicit additional input from concerned parties. Notice of these meetings will be published in ten days in advance in the newspapers listed above, and a general press release will be issued.

In addition, notice will be provided to each locality, Planning District Commission, region consortium, and service provider on DHCD's mailing list of scheduled public hearings.

Public hearings will be held at times and locations convenient to potential and actual beneficiaries and in facilities accessible to persons with disabilities. Where a significant number of non-English speaking residents can reasonably be expected to participate and when the State is made aware of such participation at least ten days before the hearing, the State will retain these of an interpreter for all hearings.

Citizens and units of local government will have not less than thirty days (30) to comment on the proposed Consolidated Plan. In addition, the State will consider any written or oral comments received at any public hearing in preparing the final Consolidated Plan; a summary of all comments, including any comments not accepted, will be summarized in the final plan.

Action Plans

An annual action plan will be prepared for each year covered by the Consolidated Plan. The action plan for the initial year of a Consolidated Plan will be included in the Consolidated Plan. Subsequent action plans will be prepared and submitted to the U.S. Department of Housing and Urban Development (HUD) annually. The action plan will contain information on federal and other resources expected to be available to address the priority needs and objectives of the Consolidated Plan and a description of state's method of distribution of funds received from HUD, in addition to other items. The process for preparing the 2004 action plan will include at least three (3) forums to be held between October 1 and December 15 each year that provide for input as to the State's method of distribution for its various housing and community development programs. The State will consult with local governments in nonentitlement areas on the proposed CDBG method of distribution other CDBG program design issues. These forums will also provide an opportunity for local governments and other parties to offer comment on State community development and housing needs and the strategies to address the needs. Each annual action plan in succeeding years will follow the same general format.

Amendment Process

Any change (1) in its allocation priorities or change in the method of distribution that exceeds fifteen (15) percent of each program's annual available funds, (2) to an activity not previously described in the action plan or (3) in purpose, scope, or beneficiaries of an activity as contained in the Consolidated Plan is subject to an amendment process. The State intends to conduct one public hearing in Richmond for such changes. Notification will be made through DHCD mailing list and through publication in the newspapers previously listed. A thirty-day (30) comment period will be provided.

Performance Reports

Any performance report submitted to HUD relative to the Consolidated Plan is subject to participation and comment. The state will provide reasonable notice of the comment period (through newspaper advertisements two weeks in advance in the newspapers listed above) and will provide a period not less than fifteen (15) days to receive comment on any performance report prior to submission to HUD. A commenter may review the performance report at DHCD's offices after alerting DHCD at least five (5) working days in advance. Summaries of comments received shall be attached to the performance report.

Public Review of Documents

The following documents will be available to the public (citizens, public agencies, and to interested parties) at DHCD's offices if DHCD first receives a request for the document five (5) working days in advance: the Consolidated Plan, any substantial amendments to the Plan, the performance reports records relating to the foregoing three documents, and the state's use of assistance available under Community Development Block Grant, HOME, Emergency Shelter Grants, and Housing Opportunities for People with AIDS programs during the five-year period preceding the year of the request. These documents will be available upon request in a form accessible to persons with disabilities: the Consolidated Plan, substantial amendments to the Plan, and performance reports.

Complaint Process

The State shall provide a substantive, written response to written complaints regarding the Consolidated Plan, substantial amendments to the Plan, and performance reports within fifteen (15) working days, where practicable.

B. LOCAL GOVERNMENT RESPONSIBILITIES

VIRGINIA COMMUNITY DEVELOPMENT BLOCK GRANT
CITIZEN PARTICIPATION PLAN FOR LOCAL GOVERNMENT APPLICANTS

It is important that community development projects carried our wholly or in part with Vii Community Development Block Grant (VCDBG) funds involve extensive citizen participation - especially low- and moderate-income citizen participation during the Community Improvement Grant proposal development stage. In pursuit of this goal the following steps are required each local government applying for a VCDBG Community Improvement Grant.

1. Local citizen participation should be encouraged throughout the process of developing a Community Improvement Grant (CIG) proposal. In particular, participation by low- and moderate-income (LMI) residents of the project service area or a slum and blight area should be encouraged. To meet this requirement, applicant communities must inform citizens of public hearings and other meetings and opportunities for participation in CDBG proposal development through at least two of the following methods.

   a. advertisement in a locally circulated newspaper with the largest general circulation (the required public hearings must be announced using this method and at least one other method).
   b. advertisement through locally-received radio and/or television stations,
   c. distribution of flyers in LMI areas and in the proposed service area(s).
   d. announcements at local community organization meetings.
   and
   e. announcements through local churches and community centers located in LMI and proposed project areas.

   Any advertisement or announcement of a CDBG-related event must occur at least seven days prior to the event. Applicants must keep documentation of how they met the requirement in their CDBG files for verification. This requirement for two types of announcements for each CDBG proposal development event should not be confused with the requirement in the #4 below for two public hearings.

2. Local citizens should be provided with reasonable and timely access to local meetings, information, and records relating to the applicant locality's proposed and actual USC VCDBG funds. Meetings should be conducted according to the standards established for the public hearings cited below (#4). CDBG-related information and records must t made available to interested citizens with the availability of such items announced in the same manner as the public hearing advertisements. At a minimum citizens should be furnished with information concerning the amount of funds available (including program income) for proposed activities and the range of activities that may be undertaken, including the estimated amount to be used for activities that will benefit low-and moderate-income persons the proposed CDBG activities likely to result in displacement and plans for minimizing displacement of persons as a result of the CDBG project and plans to assist persons actually displaced by the project.

3. Technical assistance must be provided to groups representative of persons of low-moderate-income that request such assistance in developing proposals for use VCDGB funds, with the level and type of assistance to be determined by the applicant local including at least consultations and written communications between a local contact person responsible for the CDBG proposal's development and interested groups. The name, address, and telephone number of the contact person(s) must be made avail upon request and announced at all public meetings held on the CDBG proposal.

4. At least two public hearings must be held during the CIG proposal development One hearing must be held early in the CIG proposal development process to review applicant's community development and housing needs and the range of eligible project types funded through the VCDBG program, as well as the applicant's past performance (if applicable) in the CDBG program during the previous five years. Another hearing must be held for public review of and comment on the final draft of the CIG proposal. applicant with a current CIG project to which activities are to be added, deleted, or substantially changed (that is, changes made in terms of purpose, scope,. location, beneficiaries) must provide local Citizens through a public hearing with an opportunity for comment on such changes, after the locality has informed citizens of the changes seven days prior to the hearing.

   These hearings must be held after adequate notice (non-legal newspaper advertisement at least seven days prior to the hearing and at least one other type of announcement – see #l above), at times and locations convenient to potential or actual beneficiaries, with accommodation for the handicapped. Both public hearings must be held within six months of the application deadline; the two hearings must, at a minimum, be held week apart In the case of the same proposal being resubmitted from the prior competitive year, DHCD may waive the public hearing requirement on community development needs. Files must be maintained containing documentary evidence that the hearings were held. For regional proposals, each participating locality must hold two public hearings as described above.

5. Applicants must provide, in the public hearing notices, the address, phone number times for submitting complaints and grievances to the applicant locality, and provide timely written answers to written complaints and grievances, within 15 working days where practicable.

6. Where 5% or more of public hearing participants can be reasonably expected to be non-English speaking residents, applicants must take measures to accommodate their needs. Census data on the proposed project area and on the locality as a whole should be consulted to determine if this provision applies in a particular instance. Meeting this provision requires, at a minimum, having printed material available in the non-English language(s) and retaining the services of an interpreter(s) for all CDBG-related meetings and public hearings.

   None of the foregoing may be construed to restrict the responsibility or authority of local government applicant in the development and execution of its Community Improvement Grant project.

I. Housing and Homeless Needs Assessment

Since the previous Consolidated Plan was prepared, the Census Bureau has released significant amounts of data compiled from the 2000 Census. However, the special tabulations that HUD has requested for use in conjunction with future planning activities will not be available until early in 2004. Therefore, the analysis in this section rests primarily on available census data and the updated CHAS data indicating the distribution of various households through 2002. This data showed the number of low- and moderate-income owner and renter households. This data is disaggregated by four renter household types, two owner household types, and four income levels. Unlike the 1990 CHAS data, the 2002 data does not cross tabulate this income data with the incidence of significant housing problems. However, the availability of data from the census Summary File 3 will allow some discussion of the overall incidence of housing problems.

In addition, during 2001, the Virginia Housing Development Authority (VHDA) and the Virginia Department of Housing and Community Development (DHCD) conducted an extensive housing needs assessment process that culminated in a document outlining regional housing needs. The information in that document, which considered both qualitative and quantitative sources—including extensive public participation—provides an additional dimension to the assessment presented in this portion of the Plan. Key findings addressing needs issues as well as market issues are found through out the Consolidated Plan. More detailed information on individual and regional housing markets and can be found in the full document, which may be accessed through either the VHDA web site (www.vhda.com) or the DHCD web site (www.dhcd.state.va.us). Material derived from the 2002 CHAS data and the Needs Assessment will be identified whenever necessary to avoid confusion between sources.

Also, beginning in 2002, and in accordance with Item 329 M of the 2002 Appropriations Act, several state agencies have begun to develop a plan to address the need for Virginia to develop a plan to conform to the obligations created by the Supreme Court's decision in the *Olmstead*[1] case. The court's finding requires states to provided community-based services to individuals with disabilities. Housing has emerged as a key component in the state's overall response.

Therefore, the availability of housing for the disabled and otherwise disadvantaged (highly represented among the low and very low-income families and individuals), is a priority reflected throughout this plan. Accordingly, DHCD will develop a separate affirmative marketing plan that will be implemented universally and focus on fair housing laws and expanding the market for affordable housing products. Moreover, DHCD will develop, implement, and

[1] Olmstead v. L.C., 119 S.Ct. 2176 (1999).

monitor performance indicators (including site neighbor standards) and procedures to increase the likelihood that the families least likely to apply are among those served when and wherever investments are made. Grantees, subrecipients, developers, etc., will be the vehicles for increasing the numbers served across the Commonwealth of Virginia

A. General Housing Needs and Categories of Affected Persons

Background Information

Household Types

Renter households consisted of elderly households, 1 and 2 person households, small related households with 2-4 persons, large related households of 5 or more persons, and other households such as those consisting of a single, non-elderly individual or a group of unrelated individuals. Owner categories included only elderly households and all other households.

The same income levels applied to all renter and owner households:

- *Extremely low-income* included all households with incomes between 0 and 30 percent of the household median family income (MFI).
- *Other very low- income* included households with incomes between 31 and 50 percent of AMFI.
- A broader category of *very low-income* incorporated all of the households in the two preceding categories (e.g., 0-50 percent of MFI).
- *Low-income* included all households with incomes between 51 and 80 percent of MFI.
- *Moderate income* included all households with incomes between 81 and 95 percent of MFI.
- Households with incomes above 95 percent of MFI are defined as being above moderate income. This category includes households that are generally outside the compass of the various state-administered, federally funded housing and community development programs.

Housing Problems

HUD, following a widely used rule of thumb, defined households paying high levels of income for housing expenses as cost burdened. HUD distinguishes between two levels of cost burden. The first, *cost-burdened*, consisted of households paying more than 30% of income for housing. The second, *severely cost-burdened*, included households paying more than 50 percent of income for shelter. Other housing problems included a lack of complete plumbing facilities, lack of complete kitchen facilities, and overcrowding (more than 1.0 persons per room). Unlike the 1990 CHAS data, HUD's adjusted 2002 data does not include an estimate of the number of households with

specific problems by race and income strata. However, information already available from the 2000 census and the results of the 2001 Housing Needs Assessment can provide considerable insight in to the areas of greatest housing need even before the release of the special tabulations from the census.

Renter Households

Very-Low Income

As noted above, very low-income households include both extremely and other very low-income households. Based on the extent to which Virginia mirrored the 1990 data for the nation as a whole and the degree to which the distribution of housing problems included in the most recent worst-case housing needs report to the Congress, which is based on the 1997 American Housing Survey, correspond to those noted in the CHAS data, the 1990 data provides a reasonable estimation of the areas where Virginia continues to experience its most serious housing needs. Considered separately, at least three-quarters of the lowest-income renter households experience at least one of the four potential housing problems.

Although cost burden was a problem for very low-income renter households in the 31-50 % MFI range, extremely low-income renters remain are much more likely to experience severe cost burdens. However, because the rates of very low-income renters with any housing problem and those who are cost burdened are very close, cost burden is clearly the most important of the four housing problems encountered by this group. The lowest income grouping is about twice as likely as households in the 31-50 % MFI group to experience a severe cost burden.

Among the extremely low-income households, large-related households displayed the highest proportion of housing problems, followed closely by the "other households" category, which includes nonelderly single individuals, and various households comprised of individuals unrelated by blood or marriage. Compared to the other household types in this income range, the elderly were least affected by all housing problems or cost burdens.

At the 31-50 % MFI level, however, "other" households were much more likely than other categories to experience housing problems in general and cost burdens in particular. Large-related households at this income level had fewer problems with cost burden, although their overall rate of housing problems exceeded those for elderly and small-related households. There was a relatively large spread between the percentage of large-related households with all housing problems and those with cost burdens, strongly suggesting that more of that groups problems reflect substandard housing conditions—particularly overcrowding. Small-related households in this income range had the second highest rate of problems from cost burden, but severe cost burdens were more of

a problem for elderly renters in this income stratum. Small-related households accounted for the highest number of very low-income households with any housing problems—again, primarily in the form of cost burden or severe cost burden.

Low Income

In general, the rates for households experiencing housing problems fall-off fairly quickly as incomes rise above 50 % of MFI. Rates for low-income households are only about three-fifths as high as those for very low-income renter households. The incidence of severe cost burdens displays this most dramatically, by dropping to rates as low as 1 to 6 percent among households in this subcategory.

Large related households had the greatest rates of housing problems, but at this income level more of their problems were related to something other than cost burdens, suggesting that overcrowding may be a more significant factor for this population. Cost burden remains the key problem for elderly, small-related, and "other" households. Again, there is little difference between their rates for all housing problems and those for cost burden. Elderly households had the highest rates for severe cost burden, followed by "other" households. Although low-income renters have lower overall problem rates, cost burden remains the single biggest problem. With the exception of elderly renter households, however, severe cost burden is relatively limited within this income range.

Moderate Income

The rate of housing problems for moderate-income households was less than half that of low-income households. Nonetheless, the same general pattern seen in other income groups prevailed here as well. Cost burden likely remains the major component of housing problems for all except large-related households. Elderly, small-related, and "other" moderate-income renters continue to experience cost burdens at a rate nearly equal to that for overall housing problems. Although cost burden is clearly still a problem for many moderate-income households, the rate is far below that for the lowest income categories. Severe cost burden was a significant problem only for elderly households.

Large related households likely continue to have fewer problems with cost burden than with overcrowding. Moderate-income elderly households continue to face problems with cost; their levels of severe housing cost burden are higher than for low-income households and other moderate-income groups.

<u>Racial/Ethnic Categories</u>

In addition to information covering all households in the state, the HUD data also displayed similar information for various racial and ethnic groups. This permitted a general assessment of the degree to which any of the individual groups experienced needs disproportionate to those of a corresponding category of the state's total households. These categories included White Non-Hispanic, Black Non-Hispanic, and Hispanic. Although the overall housing problems encountered by the three ethnic groupings generally mirrored the broad pattern for both renter and owner households, there were some significant areas of difference, particularly among Black Non-Hispanic and Hispanic households.

With the exception of the relatively small category of elderly households, Hispanic renter households had markedly higher (≥ 10 percentage points) than average incidences of housing problems at virtually all income levels and for most household types. Large-related households with extremely low incomes and "other" households with extremely low or moderate incomes were also comparable with the rates for all households. Cost burden and overcrowding appeared to contribute the most to problems for households in this category.

Black Non-Hispanic renter households, which constituted about one-quarter of the households, reported housing problems occurring at rates somewhat higher than those for all renter households did

White Non-Hispanic renter households, which constituted over 68 percent of the total, reported housing problems that closely tracked those for all households included in the data.

Distribution of Incomes by Renter Household Type

Percent of Median Income	Percent of All Renter Households	Percent of All Minority-Headed Households	Percent of Black Non-Hispanic Renter Households	Percent of Hispanic Renter Households	Percent of White Non-Hispanic Households
0-30	18.8	28.5	30.8	14.7	14.4
31-50	15.1	18.0	18.0	19.8	13.7
51-80	20.0	20.8	21.2	19.7	19.7

CHAS Data 2002

The pattern of disproportionate needs associated with some categories of minority headed renter households reflects their generally lower incomes. Higher percentages of Hispanic and Non-Hispanic Black renter households had incomes in the very low-income bracket—and particularly in the extremely low-income component. At higher income levels, disparities in the proportion of housing problems appear to diminish, although Hispanic households generally tended to experience housing problems at a higher level than did other renter household types.

Renter Households with Housing Problems by Household Type and Income Level in 1990

Percent	Percent of	Percent of All	Percent of	Percent of	Percent of

of Median Income	All Households	Minority-Headed Households	Black Non-Hispanic Households	Hispanic Households	White Non-Hispanic Households
0-30	72.8	71.6	70.4	82.1	73.0
31-50	75.4	75.4	72.3	90.7	75.0
51-80	46.1	46.9	43.1	43.1	45.0

Owner Households

The 1990 owner household data did not provide the same level of detail as the renter household data. There are separate tabulations for elderly owners and all other owner households and for each of the same ethnic/racial groups used for renter households.

Very-Low Income

There were and continue to be several significant differences between the circumstances of very low-income renter and owner households. A rise in income sharply reduces the incidence of housing problems in owner households. In 1990, seventy-one percent of extremely low-income (0-30 MFI) owner households had any of the housing problems included in the data. Sixty-five percent of these households experienced a housing cost burden. Only 43 percent of households with incomes at 31-50 percent of MFI experience housing problems and only 37 percent experienced cost burdens.

Elderly households had a somewhat lower incidence of housing problems than did other owner households: 67 percent of the extremely low-income households experienced housing problems; 27 percent of the elderly owner households with incomes between 31-50 percent of MFI experience cost burdens. The lower incidence of cost burden for elderly owner households may result from the fact that in spite of generally lower incomes; older homeowners are less likely to have mortgage costs.

Low-Income

The rates of housing problems for owners in the 51-80 % MFI income range fell well below those of the lowest income households, particularly for the elderly households tabulated separately. The same general pattern prevails, however. Elderly low-income owners had lower rates of overall housing and cost burden problems than do the aggregated non-elderly households. The rate of households that are severely cost-burdened is substantially lower than the rate of those simply cost-burdened. About one-third of low-income owners experienced housing problems, including cost burden. Only one-tenth experienced severe cost burden.

Moderate Income

The rates of housing problems among owners at the 81-95 percent MFI income level did not fall off as rapidly as did those between the preceding income groups. At this income level, elderly owners' primary housing problems are almost exclusively associated with cost burden. Nevertheless, these moderate-income elderly owners generally had a relatively low incidence of housing problems.

In contrast, nearly a third of other non-elderly moderate-income owner households experienced some housing problem, including cost burden. Relatively few—four percent—experienced severe cost burden.

Racial/Ethnic Categories

As was case for renter households, the HUD data provided a basis for distinguishing disproportionate variations in the experience of owner households identified by racial and ethnic groups. Although there were similarities in the overall housing problems encountered by owners in the three ethnic groups, there were some significant differences, particularly among Black Non-Hispanic and Hispanic owner households.

With the exception of the relatively small category of the very low-income elderly, in the 1990 data Hispanic owner households had markedly higher ($\geq$ 10 percentage points) than average incidences of housing problems at virtually all income levels and for most household types. Black Non-Hispanic owner households, which constituted about one-eighth of the owner households, reported housing problems occurring at rates somewhat higher than those for all owner households did. In most cases, they fell within $\pm$ 8 percentage points of the corresponding household type and income level. The one exception was among elderly black owner households, where housing problems exceeded those of the general population by at least ten percentage points.

Not surprisingly considering they constituted over 84 percent of the total, White Non-Hispanic renter households reported housing problems that closely tracked those for total households included in the data.

The pattern of disproportionate needs associated with some categories of minority headed owner households reflects their generally lower incomes. However, despite an income distribution that compared favorably with those for all owner households, Hispanic owners faced disproportionate incidences of housing problems. Black Non-Hispanic owner households had lower incomes than the other comparable categories, yet experienced housing problems at rates closer to those for the overall owner population

Minority headed households were more likely than all households to have a higher incidence of housing problems at all income levels. Black owner

households were somewhat less likely than all minority households were and much less likely than Hispanic households to have housing problems.

Distribution of Incomes by Owner Household Type

Percent of Median Income	Percent of All Households	Percent of All Minority-Headed Households	Percent of Black Non-Hispanic Households	Percent of Hispanic Households	Percent of White Non-Hispanic Households
0-30	6.3	11.1	12.9	3.3	5.5
31-50	7.2	10.5	11.6	6.3	6.6
51-80	12.2	16.3	17.8	9.4	11.5

Small and large-related minority-headed owner households tended to be very low-income to a greater extent than all other households are; elderly minority households, however, tended to be less poor than overall households are. Within the different ethic/racial minorities, elderly black owner households were more likely to be very low-income than were minority households overall or particularly Hispanic owner households, which were only half as likely to be very low-income.

Owner Households with Housing Problems by Household Type and Income Level in 1990l

Percent of Median Income	Percent of All Households	Percent of All Minority-Headed Households	Percent of Black Non-Hispanic Households	Percent of Hispanic Households	Percent of White Non-Hispanic Households
0-30	71	77	76	83	68
31-50	42	54	50	79	39
51-80	33	43	38	70	30

Updated CHAS Data for All Households, 2002

Name of Jurisdiction: Virginia	Source of Data: CHAS Data Book					Data is Adjusted per Community 2020 Projections for the Year 2000			
	Renters					Owners			Totals
Household by Type, Income, & Housing Problem	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners Total Owners	Total	Households (I)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Very Low Income (0 to 50% MFI)	74,708	119,021	28,030	80,836	302,595	136,590	102,063	238,653	541,248
0 to 30% MFI	48,067	62,018	13,994	43,728	167,807	67,740	43,902	111,642	279,449
% of Total Households in Column	38.20%	15.70%	18.10%	14.90%	18.80%	16.00%	3.28%	6.35%	10.50%
31 to 50% MFI	26,641	57,003	14,036	37,108	134,788	68,850	58,161	127,011	261,799
% of Total Households in Column	21.20%	14.40%	18.20%	12.60%	15.10%	16.30%	4.40%	7.20%	9.90%
Other Low-Income (51 to 80% MFI)	20,265	82,406	18,908	57,070	178,649	78,167	137,245	215,412	394,061
% of Total Households in Column	16.10%	20.90%	24.50%	19.40%	20.03%	18.50%	10.30%	12.30%	14.90%
Moderate Income (81 to 95% MFI)	7,539	39,802	8,374	32,216	87,931	33,393	99,261	132,654	220,585
% of Total Households in Column	6.00%	10.10%	10.80%	11.00%	9.90%	8.00%	7.40%	7.50%	8.30%
Total Households**	125,890	394,995	77,207	293,768	891,860	422,593	1,335,949	1,758,542	2,650,402

Updated CHAS Data for White Households, 2002

Name of Jurisdiction: Virginia	Source of Data: CHAS Data Book					Data is Adjusted per Community 2020 Projections for the Year 2002			
	Renters					Owners			Totals
Household by Type, Income, & Housing Problem	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Total Households
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Very Low Income (0 to 50% MFI)	58,920	65,346	11,914	62,427	198,607	99,781	68,312	168,093	366,700
0 to 30% MFI	34,696	29,055	4,789	32,819	101,359	46,929	29,205	76,134	177,493
% of Total Households in Column	32.00%	10.00%	10.80%	12.80%	14.40%	13.60%	2.80%	5.50%	8.50%
31 to 50% MFI	24,224	36,291	7,125	29,608	97,248	52,852	39,107	91,959	189,207
% of Total Households in Column	22.00%	12.30%	16.10%	11.60%	13.80%	15.30%	3.80%	6.70%	9.00%
Other Low-Income **(51 to 80% MFI)**	18,998	61,378	11,705	46,862	138,943	63,238	96,744	159,982	298,925
% of Total Households in Column	17.30%	20.80%	26.40%	18.30%	19.70%	18.40%	9.20%	11.50%	14.30%
Moderate Income (81 to 95% MFI)	7,630	31,421	5,261	28,172	72,484	28,173	72,996	101,169	173,653
% of Total Households in Column	7.00%	10.70%	11.90%	11.00%	10.30%	8.20%	7.00%	7.30%	8.30%
Total Households**	109,994	294,856	44,368	256,344	705,562	344,573	1,046,632	1,391,205	2,096,767

Updated CHAS Data for Black Households, 2002

Name of Jurisdiction: Virginia	Source of Data CHAS Data Book					Data is Adjusted per Community 2020 Projections for the Year 2002			
	Renters					Owners			
Household by Type, Income, & Housing Problem	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Total Households
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Very Low Income (0 to 50% MFI)	14,468	35,388	9,341	14,766	73,963	39,163	33,824	72,987	146,950
0 to 30% MFI	11,018	21,711	5,491	8,460	46,680	23,153	15,332	38,485	85,165
% of Total Households in Column	59.86%	28.78%	28.86%	22.07%	30.84%	33.6 %	6.68%	12.90%	18.94%
31 to 50% MFI	3,450	13,677	3,850	6,306	27,283	16,010	18,492	34,502	61,785
% of Total Households in Column	18.74%	18.13%	20.23%	16.45%	18.03%	23.23%	8.06%	11.56%	13.74%
Other Low-Income (51 to 80% MFI)	2,289	15,972	4,421	9,403	32,085	13,738	39,342	53,080	85,165
% of Total Households in Column	12.44%	21.17%	23.23%	24.53%	21.20%	19.94%	17.14%	17.79%	18.94%
Moderate Income (81 to 95% MFI)	518	6,634	1,868	4,268	13,288	4,088	22,936	27,024	40,312
% of Total Households in Column	2.81%	8.79%	9.82%	11.13%	8.78%	5.93%	9.99%	9.06%	8.96%
Total Households**	18,405	75,431	19,029	38,480	151,345	68,911	229,507	298,418	449,763

Updated CHAS Data for Hispanic Households, 2002

Name of Jurisdiction: Virginia	Source of Data CHAS Data Book					Data is Adjusted per Community 2020 Projections for the Year 2002			
	Renters					Owners			
Household by Type, Income, & Housing Problem	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Totals Households
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Very Low Income (0 to 50% MFI)	440	2,781	1,387	1,136	5,744	797	2,345	3,142	8,886
0 to 30% MFI	297	1,069	543	544	2,453	357	719	1,076	3,529
% of Total Households in Column	38.82%	13.31%	13.65%	14.01%	14.72%	11.13%	2.43%	3.28%	7.1%
31 to 50% MFI	143	1,712	844	592	3,291	440	1,626	2,066	5,357
% of Total Households in Column	18.69%	21.31%	21.22%	15.25%	19.75%	13.72%	5.49%	6.29%	10.82%
Other Low-Income (51 to 80% MFI)	117	1,687	816	656	3,276	410	2,675	3,085	6,361
% of Total Households in Column	15.29%	21.00%	20.51%	16.89%	19.66%	12.78%	9.02%	9.39%	12.85%
Moderate Income (81 to 95% MFI)	52	886	428	463	1,829	264	2,928	3,192	5,021
% of Total Households in Column	6.80%	11.03%	10.76%	11.92%	10.99%	8.23%	9.88%	9.72%	10.14%
Total Households**	765	8,034	3,978	3,883	16,660	3,208	29,642	32,850	49,510

B. Homeless Needs

In the most recent year for which complete data has been compiled, at least 44,000 people were homeless in Virginia. This figure includes the reported sheltered homeless population plus the most conservative estimate of the unsheltered population.

This section considers the housing problems of the homeless and the need for decent, affordable housing for homeless people, including those with special needs. It uses data on homelessness in Virginia in during the most recent two state fiscal years derived from reports submitted by 108 emergency, transitional, and day shelters that are DHCD grantees. Information compiled from the quarterly reports of funded shelters and maintained in the agency's database provides a summary view of services and beneficiaries. In FY 2002, 103 of the funded emergency shelter facilities provided additional details by responding to an agency survey. Clients served within other shelters, which do not receive federal or State funds, also were considered as part of the total sheltered population in the State.

This analysis examines the demographics of shelter clients, such as gender and ethnicity, examines issues related to special needs homeless populations, and highlights leading characteristics of the homeless populations in rural, urban, and small metropolitan areas. Turn away figures of funded shelters are reported, and the number of unsheltered homeless people is estimated. Estimates of the number of people at-risk of homelessness also are provided.

Characteristics of the Sheltered Homeless Population

In the data for this analysis, each individual, if unaccompanied or family unit sheltered by a provider was evaluated according to a family composition type. Family composition type was chosen among a list of eight distinct categories: unaccompanied male, unaccompanied female, unaccompanied male youth, unaccompanied female youth, single parent family, two parent family or "other" composition.

In excess of 40,000 persons received shelter in Virginia in FY2002. State-funded shelters served 23,600 people in FY 2002. The majority of those served in FY 2002 (61 percent) were sheltered in 55 emergency facilities that supported 2,110 beds. As in previous years, non-state-funded providers are assumed to have sheltered almost half the total homeless people, though they comprise less than one third of shelter providers. The majority of these non-funded shelters were mission shelters with high turnover rates.

The following section examines age and gender characteristics, and

race/ethnicity, as well as causes of homelessness and the ways in which homeless people access shelter. Following that, the representation of families and individuals and people with special needs among the sheltered population is reviewed. Although these characteristics reflect *only* the homeless population in shelters funded by the State for which reasonably consistent data is available, the same general features likely characterize the sheltered population in other facilities as well. A comparison with the demographic characteristics noted in the census supports this assumption.

Age and Gender - Among the 15,089 homeless people sheltered by grantees receiving federal or state shelter grant funds in FY2001, 14 percent were four years old or younger; 19 percent were between the ages of five and 17; and 64 percent were between the ages of 18 and 59. The FY2002 data covered significantly more recipients of assistance (approximately 23,600) yet displayed a similar age distribution. Thirteen percent were under the age of five, 19 percent were between the ages of 5-18. Clients over the age of 60 represented only two percent of total people sheltered. Shelter client data relating to gender revealed the total shelter population to be 54 percent male and 46 percent female.

Race/Ethnicity among the Sheltered Population - Shelter providers identified clients as African-American; White; Hispanic, or Asian, Native American, or "other." African-Americans accounted for 48 percent and Whites 43 percent of the population served in shelters in FY2001. Hispanics accounted for four percent; other racial groups accounted for less than two percent each. Figures for the most recent year showed a somewhat different distribution. There was a higher proportion of African-Americans and lower proportion of Whites than in some previous years. The representation of other ethnic groups remained essentially unchanged. Hispanics accounted for five percent of persons sheltered. Asians constituted only two percent of the sheltered population. Less than one percent of those served in were Native Americans.

Veterans - In FY2002, the 1,919 veterans housed accounted for about 81/2% of the total number of sheltered persons. When all other persons in the veteran's household are considered, almost 15% of the homeless persons housed were veterans or a member of veteran's household. Single males accounted for 1,786 or 93% of the veterans housed, single females for 50 or 2.6%, males in family units for 43 or 2.2%, and females in family units for 40 or 2.1%.

Causes of Homelessness - Most homeless people in Virginia are unemployed when they enter an emergency facility. The count of unemployed people excludes children under the age of 18. About a quarter of all people sheltered were in a domestic violence situation before entrance (note that the

28domestic violence shelters in Virginia influence this statistic). Eviction or foreclosure from housing before entering a shelter facility was experienced by over one-fifth (22.3 percent) of clients served. Almost five percent of clients came directly from another shelter.

Accessing Shelter - Most homeless people make their way to shelter locations through individual efforts. In FY2002, 27.4 percent of all people in shelter facilities were present because of a personal decision to seek accommodations (e.g., self-referral). Community representatives who play prominent roles in the social network of homeless people made considerable efforts to locate shelter for remaining individuals. State and local departments of social services constituted the second largest referral group (making approximately 10 percent of all referrals).

Over six percent of referrals were generated by public and non-profit community service organizations. Family or friends of homeless individuals made another seven percent of referrals. Other significant sources of referrals were other shelters (five percent), hospitals (2.6 percent) and police departments (five percent).

Sheltered Homeless Families with Children

A total of 3,854 families including adults who are accompanied by children were sheltered in FY2002. Of these, 3,329 (86.4 percent) were single parent families; 323 (8.4 percent) were two-parent families; 4 percent were childless adult couples, and 47 (1.2 percent) were “other” families. This last category might include an aunt accompanied by her niece. Overall, single parent families, two-parent families, and “other” family units comprised over a quarter (25.7percent) of all households served in FY2002. In total, these families contained nearly half of all people sheltered.

Within these family groups were 7,577 children, aged newborn to seventeen years. Under half of these children (40 percent) were below the age of five. As this analysis suggests, children continue to make up a significant proportion of the homeless population. When the number of unaccompanied youths under the age of 18 (a total of 490 youths, see below for additional discussion) is included with the number of children assisted families, over 35 percent of all homeless people sheltered were below the age of 18 years. Adult couples without children made up less than one percent of the total cases sheltered (163 couples).

Sheltered Unaccompanied Homeless Adults

Individuals who entered shelters without another adult, including both males and females, represented 77 percent of the households served.

Unaccompanied male adults represent 34.3 percent (7,757 people) of all clients served. In comparison, unaccompanied adult females make up 15.5 percent of the total shelter population. For every unaccompanied adult female sheltered, two unaccompanied adult males were sheltered. Excluding unaccompanied females served by domestic violence shelters from the total shelter population would further increase this ratio.

Sheltered Homeless People with Special Needs

There are a number of subpopulations within the general homeless population of 22,574 people served by State-funded shelters that exhibited special needs. A breakdown of these subpopulations presents only a partial and incomplete view of characteristics shared among the homeless. These characteristics should not be inferred as generalizations.

Physically and Mentally Disabled Homeless People - People with physical disabilities made up about 4 percent of all people sheltered in previous years. Since FY 99 and through FY 2002 this population has been only about one percent of the total. Previous reports indicated that homeless people with mental illness make up eight percent of adults sheltered, while four percent of adult clients served had been deinstitutionalized immediately before entering a shelter. The figure for mentally ill homeless people reported by State-funded shelter providers is consistent with that given by the Virginia Coalition for the Homeless in the 1992 Shelter Provider Survey. These figures are well below national estimates that indicate that the mentally ill homeless comprise up to 33 percent of the homeless population. The reasons for this divergence from national estimates are not clear. It is possible the shelters surveyed do not generally serve this particular subpopulation, and that shelter staffs often are not qualified or able to make mental health diagnoses. Therefore, it is likely that a large percentage of the mentally ill homeless remain unsheltered, or that the needs of those sheltered are not entirely addressed.

Sheltered Unaccompanied Youth - Unaccompanied youths are defined as people under the age of 18 who are unaccompanied by an adult. Runaways are the leading component of this category. Unaccompanied youths made up just over two percent of clients sheltered with 490 cases reported. Most of these youth were served within emergency shelters mostly in urban areas. A majority of the sheltered youths were female (55.7 percent), contrasting with the dominance of the miles in the adult client population. Domestic violence shelters served four out of five unaccompanied female youths, suggesting high levels of domestic violence against young lower-income women.

People with Substance Abuse Problems – Previously, shelter providers have estimated that approximately 19 percent of adult clients exhibited substance abuse at the time of intake or during the stay in the facility. No

information is available on the extent to which homeless people may experience both severe mental illness and substance abuse problems.

Homeless People with AIDS - While little comprehensive data exist on the incidence of AIDS among homeless people, AIDS Service Organizations in the Tidewater area indicate that about 12 percent of the 4700 area residents with HIV or AIDS are homeless or at risk of homelessness. National estimates posit that between one-third and one-half of the AIDS population is homeless or at risk of becoming homeless. A parallel estimate suggests that as much as fifteen percent of the homeless population may be HIV positive. In FY 2002, 171 sheltered individuals indicated that they were HIV positive or had AIDS.

Homeless Turned Away from Shelters

Shelters throughout the Commonwealth of Virginia are frequently forced to turn away homeless people who seek accommodations. Limited space in shelter facilities is by far the most common reason for these decisions. In emergency facilities alone, almost three-quarters (74.4 percent) of the requests for shelter were denied due to lack of space. Approximately 33,000 people were turned away in the course of one year.

Other identified reasons for a denial of admission to the shelter facility included, in descending order, disruptive behavior, intoxication, drug addiction, mental illness, mental retardation, various disabilities, and "other."

Services and the Homeless

Inherent to the continuum of care model for homeless programs is the understanding that an effective response to homelessness requires a variety meeting underlying needs--physical, economic, and social. Coordinating services provided on site to the sheltered population is one way approach that Virginia has used effectively. The services provided on site to the sheltered homeless have included: *needs assessments, case management, information and referral, substance abuse counseling, individual/family counseling, vocational training, job placement, employment counseling, adult education, life skills training, budgeting/financial training, parenting workshops/classes, transportation, legal assistance, children's programs, child day care, support groups, food, clothing, housing counseling, health care, mental health care/counseling* and *mentoring*. All project sponsors provided one or more of these services to their clients either directly or through referrals. Approximately half of all services provided to the homeless are delivered *within* the homeless shelter facilities.

In 1997, General Assembly of Virginia created the Child Services Coordinator Grant (CSCG) program, administered by DHCD. The program establishes a staff position and contributes salary support for the provision of case management and direct services to children at homeless and domestic violence shelters in Virginia. Eligible recipients of CSCG funding are nonprofit organizations and local governments providing emergency shelter to the homeless.

The CSCG program addresses the needs of homeless children by:

- Insuring that professional child service resources are available to Virginia's emergency shelters serving homeless families with children through linkages with the community.
- Improving service delivery to homeless children through increased information sharing, collaborative planning, and analysis and referral to existing resources.
- Emphasizing parental choice and participation in the coordination of services for children.

In FY 2002, the Commonwealth of Virginia allocated $360,000 for the establishment of child services coordinator positions in homeless and domestic violence shelters serving children. During its first year, the program funded 11 full-time and 13 part-time child services coordinator positions. During the second year, $360,000 was available to provide continuation funding for the existing positions.

Demographics of Service

During its most recent operating year, the 46 full-time and 13 part-time child services coordinators served 4,020 children in the 48 grantee organizations. Of children served, 45% were female and 55% male; 55% were African-American; 32% White; 7% Hispanic; 6.6% Other; and less than 1% Asian and Native-American.

Of the 23,600 persons served in facilities funded by DHCD, 17,450 persons exited Virginia shelter facilities during FY 2002. Of the persons leaving homeless shelter facilities, 27% (6,838 persons in 3,547 cases) moved into permanent housing. Eight percent were placed in transitional housing.

Unsheltered Homeless People

This analysis uses three approaches to identify the number of unsheltered homeless people: estimates based on national data for unsheltered populations; estimates based on the knowledge and expertise of shelter providers; and estimates based on the number of homeless people sheltered in FY2002 who are mentally ill or who are substance abusers. It is emphasized that these

estimates are difficult to develop and are not reliable for indicating the full extent of these problems in the State. These estimates are provided are not conclusive determinations of the problem.

Estimates Based on Census Bureau Counts: The 1990 census attempted to estimate the unsheltered homeless population based upon data from the 1990 Decennial Census Count of Persons in Selected Locations Where Homeless Persons are Found, as well as other estimates. This Shelter and Street Night, commonly known as S-Night, counted people in emergency shelters; shelters for runaway, neglected and homeless youth; shelters for abused women; and at certain predetermined street locations. In part because the product of that attempt created confusion and consternation among data users, advocates for the homeless, and others, the Census Bureau did not try to produce a count of the homeless at the state or local level for the 2000 census. The Bureau instead provided an updated count of this population sector through its Service-Based Enumeration (SBE). The 2000 enumeration included three distinct counts. The first, on March 27, 2000, counted people in emergency shelters, transitional shelters, youth shelters, and voucher facilities. The second count, occurring on March 27, 2000, covered soup kitchens and regularly scheduled mobile feeding programs. The final effort covered non-sheltered outdoor locations on March 29, 2000.[2]

Besides modifying its approach to this population, the Bureau has stressed the limitations of the information it collected through the Service Based Enumeration. Unlike 1990, the Bureau did not present separate information about the portion of the homeless population visible on the street in its report on the Emergency and Transitional Population. It also excluded persons who may have been turned away on the evening in question. Despite the changes from the 1990 report, the Bureau reported nearly the same count in 2000 (2,692 persons) as it had in 1990 (2,657). Four cities and one county accounted for almost one-half of the total. Although these results have extremely limited usefulness for planning purposes, the overall picture of the homeless population confirms some features also characterizing Virginia's overall homeless population. A majority of the shelter population consisted of adult males who were either white or African-American. The Hispanic population (of any race) ranked third among racial or ethnic categories within this component of the population. In the 1990 enumeration, the number of persons visible in street locations in the Commonwealth equaled 12% of the total population reported in shelters. Although a comparable figure was not available from the 2002 report, the similarity between the outcomes of the enumerations suggests that the ratio may still have some utility as a crude benchmark for estimating the unsheltered population. By applying this ratio to known numbers of homeless persons

[2] *Emergency and Transitional Shelter Population: 2000*, Census Special Reports series CENSR/01-2 (U.S. Government Printing Office, Washington, D.C., 2001)

sheltered in the Commonwealth it is possible to estimate the number of unsheltered persons in the state.

Using statistics from the a 1997 survey by the Virginia Coalition for the Homeless of shelters not receiving funding through the state, an estimate of the total number of persons served can be made. The Coalition reported 14,432 persons sheltered in 1997. Assuming that at least that many persons have been served in subsequent years, the total number of persons served in the state by both funded and non-state funded shelters in the past year can be estimated as 38,032 persons (14,432 in unfunded programs and 23,600 in funded programs).

Using the census calculation, this number of persons served may represent approximately 88 percent of the total estimated homeless population in the state. Therefore, the other 12 percent represents approximately 5,150 unsheltered persons, providing a total estimated homeless population of 43,182 persons.

The most recent Continuum of Care Gaps Analyses, however, identified the need for almost 8,000 additional emergency shelter beds and transitional housing slots. This estimate far exceeds the more conservative estimate of unsheltered homeless persons based on older census-based estimations.

Rural Homelessness: In September 2001, the Virginia Tech Center for Housing Research Commission completed two-year study focusing of rural homelessness. As a result of House Joint Resolution 257 (1999), the Virginia Housing Study Commission (VHSC), the Virginia Interagency Action Council for the Homeless (VIACH), and DHCD sought the assistance of the Center in examining the number and needs of the homeless in rural (e.g., non-metropolitan) areas of the Commonwealth. The final report provides additional insights into the scope of Virginia's rural homelessness problem.[3]

Because the bulk of shelter facilities are located in major urban areas or small urban centers, such Winchester and Staunton, the study focused on rural social service providers. Surveys of these entities led to both a direct and an adjusted estimate of the number of homeless persons at one point in time. This served as the basis for a further range of estimates of the potential annual incidence of homelessness in the non-metropolitan portion of the state (defined in terms of homeless person events). Based on these sources, the report concluded that the best indication of rural homelessness would fall between 1,829 to 2,817 persons for the month (February 2001) in which the survey was conducted and therefore between 23,777 and 36,621 for that year (2001).

Estimates Based On Poverty Data - In 1999, almost 297,002 persons in Virginia had annual incomes that were less than half of the poverty level for that year

[3] C. Theodore Koebel, Michelle Murphy, Adam Brown, "The 2001 Virginia Rural Homeless Survey" (Center for Housing Research, Blacksburg, VA, 2001)

(U.S. Census Bureau, 2000). This represents 45.1 % of Virginia's 1999 poverty level population (656,641). In Virginia, as in every other state, more than minimum wage is required to afford the rent for a one or two bedroom apartment at the prevailing FMR.

The 1990 CHAS data indicated that low-income renters in Virginia generally experienced a greater rate (70 to 80%) than the general population of housing problems including overcrowding, incomplete plumbing, and high rent burdens. Although the updated 2002 data does not provide a basis for comparison, there are other indicators suggesting that this pattern has continued, with some modifications. HUD's most recent report to the Congress on worst case housing needs provides some insights that may be applicable to Virginia as well as the national market.[4] The report indicated that the growth in the number of families with worst-case needs occurred primarily among working families with children, among the lowest income (e.g., 0-30 percent of AMFI) population, and households with elderly of disabled members. Families with children represented 38.1% of households with worst case housing needs in 1997. The combination of poor quality housing, marginal incomes, and high rent burdens increases the risk of homelessness for Virginia's poorest citizens.

Unsheltered Estimates for Subpopulations - In its current Comprehensive State Plan for 2002 through 2008, the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) estimated that between 12,000 and 20,000 adults with serious mental illness are at risk of being homeless. DHMRSAS estimates that only 65-70 percent of the estimated population in need of their services was actually assisted by the eighteen primarily urban providers supported by the DMHMRSAS-administered Projects for Assistance in the Transition From Homelessness (PATH) program in fiscal year 2001.

These estimates concur with earlier studies that show that between 5 and 8.4 percent of adults with serious mental illness become homeless each year. DHMRSAS estimates that there are 233,189 adults with serious mental illness in Virginia. Applying these prevalence rates to this population suggests that between 11,660 and 19,600 are at risk of homelessness.

National figures on substance abuse among homeless people indicate that 35 percent of the homeless population consist of chronic alcoholics. This suggests that a significant portion of the homeless population experiencing alcoholism remains unsheltered. Virginia statistics identified 19 percent of its

[4] Office of Policy Development and Research, *Rental Housing Assistance—The Worsening Crisis* (March 2000). The report relied on information from the 1997 American Housing Survey and anticipated the information collected during the 2000 census. "Worst-case" housing needs encompassed renter families not receiving federal, state or local housing assistance who have incomes below 5o percent of the area median and who pay more than 50 percent of their income for rent and utilities or live in severely substandard units.

sheltered population aged 18 years and older as substance abusers.

People Threatened with Homelessness

Because the state recognizes that it is more effective to prevent persons and families from falling into homelessness than it is to correct the condition after the fact, the prevention of homelessness has become a major undertaking in Virginia. The General Assembly has continued to appropriate funds to the Homeless Intervention Program (HIP), which addresses this need, in spite of the state's recent fiscal stress. The program' now covers the entire.

The number of people threatened with homelessness varies with shifting demographic and economic factors. The greatest risk is believed to be associated with very low household incomes; unstable, unsafe or overcrowded (and doubled up) housing conditions, special needs populations; and the lack of significant financial assets. In 1993, *The Virginia Housing Atlas: Housing Trends and Patterns to 1990,* produced by the Virginia Center for Housing Research, based upon data derived from the 1990 Decennial Census of Population and Housing, reported about four percent of the families in Virginia (63,158 families) were doubled up in 1990. However, while the 2000 census estimated an increase in the total number of subfamilies to 66,549, their overall share of family households actually declined for the decade, suggesting some improvement in this category through 2000.

This figure is based on the ratio of the number of subfamilies (families living with other households) to the number of family households. It should be noted that it is possible for more than one subfamily to be in a household, leaving open the possibility that this estimate slightly under-reports the number of doubled up households. As in previous decades, most of these subfamilies (53,585 or 80.5 percent) included children under the age of 18 years. Since 1980, subfamilies have increased almost 90 percent, indicating both the trends toward less affordable housing and the increase in the risk of homelessness.

Providers defined clients who are at-risk of homelessness as those who have experienced chronic and continuing housing displacement; are threatened with imminent loss of housing or eviction from their home; live in overcrowded housing, or in doubled-up situations and have no other resources available; or are being discharged from a psychiatric hospital and were homeless upon admission and have no other housing resources or supports available at discharge. "Imminent" means within the next seven days, but may occasionally refer to a slightly longer time.

These estimates can provide only a provisional or qualitative indication of the extent of the risk of homelessness. Given the fluid nature of this issue, DHCD does not anticipate ever obtaining solid figures on the number of people in

the State who are at risk of homelessness. It is clear, however, that prevention of homelessness is essential to any comprehensive housing policy and this focus is reflected in the priorities and strategies identified in this consolidated plan.

The HIP program design requires that those not already homeless who receive assistance be at imminent risk of losing their home or apartment through eviction or foreclosure. Recipients must have exhausted personal resources and sought help from other reasonable accessible resources, including local funds and state and federal funds provided through local departments of social services. In FY 2002, HIP financial interventions prevented 2,665 households consisting of 7,301 persons, nearly half of whom were children under 16 from experiencing an episode of homelessness. The financial interventions included 274 households receiving mortgage assistance to prevent foreclosure and 2,302 households receiving rental assistance to prevent eviction. Another 89 households received rental and/or security deposit assistance allowing them to relocate into permanent housing. Before receiving HIP financial assistance, eleven percent of the households were staying in a shelter, living with family or friends, or had no housing and were living on the street.

The majority of the heads of households (53 percent) were working full time or part time, as were many spouses or other adult householders. Another 6.4 percent were actively seeking employment or additional employment. Sources of income included wages, social security payments, Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), and unemployment benefits. Over 6.7 percent of households received Social Security payments, 6.3 percent received TANF, 5.2 percent received unemployment benefits, and 5.3 percent received SSI.

Some Local Administrators provide follow-up services or contacts with former recipients of HIP financial assistance. These contacts include telephone contacts, contact by letter, housing, and budget counseling as needed, support and advice, and advocacy and/or education through other programs provided through the Local Administrator. The program also provides non-financial help to families ineligible for financial assistance.

Projections of Need for Three Years

Using current data, the State expects to see a continued need to support organizations that provide shelter to the homeless. The two largest categories of those seeking shelter are the unemployed (60 percent) and victims of domestic violence (27 percent). Approximately 24 percent of those seeking shelter have been displaced from other housing. It is expected that most shelters will continue to operate in urban areas since only two percent of those previously sheltered were in rural areas and most of these were victims of domestic violence.

In addition to providing support to the facilities, the State expects to continue requiring a link between the shelter and other supportive services. These services will differ with the specific needs of each category of the homeless population.

Although the impacts of changes in welfare, the evolution of the mental health care system away from reliance on institutional settings for the treatment of mental disabilities, and the effects of changes in the national and state economies are problematic, it is expected that these will place an increasing demand on shelters. Welfare reform has significantly reduced the number of public assistance recipients, but affordability remains a persistent problem for the working poor. Temporary Assistance to Needy Families (TANF) funds have become an important component of the overall homelessness prevention effort since 2001, supplementing state funds in providing supportive services related to homelessness.

The state's intention to reduce the emphasis on institutional responses to mental disabilities and place more reliance on community-based treatment and services, now reinforced by the ongoing effort to develop and implement an *Olmstead* plan, strongly suggests that there will be an increased demand for all types of housing for this population, which may also be vulnerable to homelessness. The State has been and will continue to be proactive in limiting this demand by providing resources to prevent homelessness. These prevention measures include paying deposits for those moving into rental housing and covering the rent or mortgage payment, which are in arrears and threatened with eviction. Prevention of homelessness will result in less demand on the system and on public resources.

C. Special Needs

Elderly and Frail Elderly People

Several aspects of the housing needs of elderly households in the State by income level were examined earlier in this needs assessment. This analysis focuses on the housing needs of elderly people, including frail elderly people, with specific reference to supportive services. Housing and income issues for elderly people are examined in detail in the 2000 Census. Therefore, the analysis of needs for this population is more detailed than that for other special needs populations. Examining housing tenure, housing quality, affordability problems, and income levels, as well as specific types of services required by elderly populations helps clarify the extent to which elderly populations have needs for supportive services, and the way in which supportive services should be coupled with affordable housing for maximum effect.

Housing Tenure, Income and Problems – according to the 2000 census, most Virginia seniors own their housing: of the 511,589 elderly households in the State, 80.1 percent (409,786) owned their units; 19.9 percent (101,803) rent. Using the slightly different estimate based on the updated CHAS data, it is estimated that of all elderly households (owner and renter) in Virginia, 56.5 percent are low-income: 21.1 percent had incomes between 0 and 30 percent of area median income; 17.4 percent had incomes between 31 and 50 percent; and another 17.9 percent had incomes between 51 and 80 percent of area median income. Moderate income households (81 to 95 percent of area median income) accounted for 7.5 percent of all elderly households and 36 percent had incomes of at least 96 percent of the area median income.

Elderly renters were far poorer than owners were: 75.4 percent of all elderly renters are low--income, with 38.2 percent considered extremely low-income (below 30 percent of area median income). Among owners, 50.8 percent were low-income, while 41 percent were above moderate income (eight percent were moderate income).

The 1990 CHAS data, 2000 census estimates, and the housing needs assessment for elderly households noted that across all income groups, elderly owners generally had lower rates of housing problems and cost burden than all other owners. However, the lowest income elderly owners and renters, such as those solely dependent on OASDI, face a continuing problem with cost burden. Severe cost burden is a particular problem for elderly renters.

In short, as in the previous Plan, the majority of elderly people were low-income and the majority of them were owners rather than renters. Elderly owners and renters both face a problem with cost burden; elderly renters face particular problems with severe cost burden regardless of level of income. Given the changing dynamics of the senior population, it is likely that there is a shortfall in the supply of appropriate affordable housing for elderly populations.

Types of Housing and Services Needed - The number of potentially frail elderly people (aged 75 and over) increased by 40 percent between 1980 and 1990 and 36 percent between 1990 and 2000. The elderly population will continue to increase significantly over the next few decades. The increase in the population of elderly people who may be expected to be most in need of services linked to housing will place special demands on the State's resources over the coming years.

Similar to other special needs populations, there are various options for providing housing-related services to elderly populations. One is to bring the services to the client in his or her home; the second is to provide necessary services within the context of a group home setting. Remaining independent in their own homes for as long as possible is extremely important for many elderly

Virginians. Some providers across Virginia and nationwide are focusing more on home-based assistance that may be less expensive and less intensive than placement in an institutionalized setting.

The principal types of service required to prevent premature and over-intensive institutionalization include nutrition services, geriatric day care, personal care assistance with the activities of daily living (ADL), homemaker assistance (help with routine household chores), transportation. and home maintenance. weatherization and repair services. Supporting elderly people who are "aging in place" often requires structural changes within their housing unit similar to those needed to assure at least minimum accessibility for the mobility impaired, such as adding stair lifts or ramps, widening doorways, adding grab bars in showers and tubs, and modification of appliance and electrical controls for easier manipulation. Tapping the existing equity of elderly homeowners through equity conversion or reverse mortgages can, in the appropriate circumstances, provide a the financial support needed to allow some to remain in their own units for as long as possible.

The 25 Area Agencies for the Aging across Virginia provide a continuum of over 24 services to older Virginians, including the types of home-based services described above. The Department for the Aging has estimated that at least ten percent of older Virginians (aged 62 and older) may require some assistance with an ADL and that almost 50 percent of those over age 85 require some assistance. A HUD report focusing on housing for elders noted that data from the 1995 American Housing Survey showed that 20 percent of households aged 62 and older contained a person with at least one physical limitation.[5] While only 8 percent of the elderly under age 75 have problems with ADLs, this rises to 25 percent for the oldest elderly. Applying the HUD ratios to the 2000 Census data provides a rough estimate of the parameters for most of the minimum types of in-home care services that elderly populations require.

Data from the 2000 Census of Population and Housing reported 861,518 Virginians aged 62 to 84 and another 87,256 Virginians aged 85 years and older. This suggested that a total of approximately 91,000 elderly (69,000 aged 62 to 84 and 22,000 aged 85 years and over) could have required some assistance with ADLs. More recent population projects by the Virginia Employment Commission (VEC) and the Census Bureau[6] suggest that the elderly population (defined as age 65+ in this instance) will constitute an even higher proportion of the total population for the near future. (Virginia, however, will not have one of the fastest growing or largest elderly populations among the states during this period.) The VEC projection for 2010 this is projected to rise to 961,528 (12.42 percent of the state total). Even excluding those aged 62-64, this forecasts a population

[5] HUD, Housing Our Elders.
[6] Census Bureau, Current Population Reports (P25-1131) Population Projections: States, 1995-2025.

requiring assistance with ADLs of at least 86,700 persons in 2010.

Group living arrangements with services that can assist elderly people currently range from retirement communities for moderate and upper income elderly people to federally and State-supported developments for moderate to lower-income elderly. Housing for low-income elderly people continues in great demand across the country. A HUD study of housing developed under the Section 202 housing program (the major federal housing production program for elderly people) indicates that vacancy rates in Section 202 projects are extremely low nationwide. However, the current success of the 202 program in meeting its purpose is dampened by the prospect that as the resident population continues to age, without additional housing and supportive service options--such as assisted living--many of these individuals could be compelled to move into more restrictive institutional settings. Half of the 202 projects nationwide have elderly service coordinators to arrange for the delivery of various supportive services by the project staff or outside partners.

Persons with Disabilities

Over the past three years, the importance of assuring an adequate supply of housing appropriate to the needs of persons with a variety of physical, mental, sensory, and cognitive disabilities has become an area of growing concern. Participants in the 2001 housing needs assessment noted affordability, accessibility, and discriminatory actions as major concerns impeding the ability of persons with disabilities to find suitable housing options. The Developmental Disabilities State Plan 2002 Update, CSB reports, the DMHMRSAS Comprehensive State Plan, and the Disability Commission seconded these observations.

As the interim report of the Olmstead Task Force has noted, the premise inherent within the Olmstead decision that the unjustified isolation or segregation of individuals with disabilities must be ended by turning to community-based facilities will not be realized if appropriate housing opportunities are not available within the communities of the Commonwealth. This issue affects not only those who are currently institutionalized and ready to return to local settings, but also thousands of citizens with disabilities who struggle with the need to find available housing that is affordable within their incomes; accommodates any mobility, sensory, or cognitive limitations; and is accessible to any necessary supportive services. In spite of federal and state programs that attempt to address the housing and service needs of people with physical and mental disabilities, these individuals continue to experience some of the most pressing unmet housing needs of any group qualifying for housing assistance.

Later in 2003, the Olmstead Task Force will release its recommendations for changes programs and policies in a number of areas of state government directly involved with the circumstances of persons with disabilities. Several of these recommendations will likely address ways to increase the effectiveness of existing housing finance and medical assistance programs; others may address fair housing issues and discriminatory practices that further limit the available options for persons with disabilities. While the interim report of the Task Force noted serious concerns with the lack of a sufficient number of accessible units, the report also suggested possible ways for making better use of the units that do exist through notification systems and the prioritization of disabled housing needs.

Besides the activities of the Olmstead Task Force, DHCD has contracted with consultants specializing senior and disabled housing issues to explore issues and recommend specific strategies to meet housing needs for both Virginians with disabilities and for senior Virginians. As with the Olmstead report, the recommendations are expected to be forthcoming by summer. Many of these are expected to focus on the same issues identified in the Olmstead process and by other agencies involved with aging or disabled populations.

Mental Disabilities and Substance Abuse

Senate Document No. 12 (2000) documented the efforts of VHDA, DHCD, DMHMRSAS, and other participants in a tw0-year study of funding for housing serving persons with disabilities that remains the best-documented source for this area of need. The initial study expended to include not only persons with mental illness, mental retardation, and substance abuse problems but also the needs of persons with physical disabilities identified in an earlier study undertaken by the Disability Commission. Thus, the discussion of needs for all of these special populations summarizes the more detailed content of these studies.

The study noted that there is a significant level of unmet need for community-based housing for persons with disabilities. The availability of adequate, affordable housing for persons with disabilities is a critical factor that could enhance or inhibit Virginia's efforts, now underscored by the urgency of the Olmstead planning process, to move individuals from restrictive, and often costly, institutional settings to increased independence in community-based settings. The current (2002-2008) DMHMRSAS comprehensive plan identifies over 6,700 customers on waiting lists who need community-based housing and residential services.

Some persons with disabilities need "supportive housing." They do not generally require either intensive in-home services or supervised residential services. However, there is a mutual need for housing and access to community-based supportive services, not necessarily provided on-site, if the effort to increase the independence of the customer is to succeed.

As was true for a significant proportion of the general population, the low- or very low-income of perhaps a majority of persons with disabilities is a major reason for the lack of access to adequate housing. Individuals whose primary source of income is Supplemental Security Income (SSI) payments fall well short of being able to afford market rents for even one-bedroom apartments. Without significant operating subsidies or additional income supports that increase the tenant's contribution, property owners and developers cannot close the gap between what an occupant can afford to pay and what is required to finance and maintain appropriate housing.

Income remains a major barrier to the provision of adequate, affordable housing to persons with a variety of mental, developmental, or physical; disabilities; however, evidence from a variety of sources indicates that there is also a shortfall in the supply of barrier-free and accessible units for sale or rent regardless of income. The recent testing efforts by Housing Opportunities Made Equal addressing the degree to which rental housing complies with current accessibility standards indicated continuing concerns with actual compliance as well as the level of understanding of the requirements of Fair Housing Amendment Accessibility Guidelines. The use of VHDA Section 8 funds, the production of new units through the Low Income Housing Tax Credit Program (LIHTC) should have increased the overall state inventory of barrier-free and accessible units across the state. Pending revision of the state's Uniform Statewide Building Code, enhanced funding for the training of local code enforcement personnel, and pending changes in the state's fair housing enforcement process are intended to enhance compliance with accessibility requirements as well as other aspects of fair housing. DHCD, VHDA, local housing authorities, DMHMRSAS, and local Community Service Boards continue to direct additional financial resources into assisting their customers' needs for affordable housing and residential services.

Nonetheless, CSB and Section 8 waiting lists remain substantial, clearly indicating the degree to which, despite recent efforts, significant levels of need continue to exist. In 2001, CSBs identified the lack of affordable and appropriate housing as the most frequently encountered barrier to discharge from state-administered facilities.

Senate Document No. 12 largely succeeded in documenting the degree to which people with disabilities were being served through local Section 8 programs and the size of waiting lists for assistance. Just over half of public housing authorities and nearly three-quarters of VHDA's Section 8 agents

responded to a survey. The responses were sufficient to be generally representative of current levels of program service and need. Following is a summary of the survey data.

Waiting Lists for Local Section 8 Tenant-Based Programs by Region

Local Agency Responses		People Served			Waiting List Characteristics			
Housing Market Area	# of Surveys Returned	Total Units Leased	Units Leased w/ a Disabled Occupant #	%	Total on Waiting Lists	Waiting Lists Tracking Disabled # of Lists	Disabled on Lists #	%
Northern Virginia	5	3,048	970	32%	5,917	4	1,238	22%
Hampton Roads	8	7,161	1,509	21%	4,234	4	509	16%
Richmond-Petersburg.	4	558	134	24%	401	2	30	10%
Small Metro Areas*	9	1,664	330	20%	1,093	4	193	36%
Non-Metro Urban**	7	2,151	971	45%	1,649	2	30	14%
Rural Areas	18	2,685	930	35%	2,175	7	95	15%
All Areas	**51**	**17,267**	**4,844**	**28%**	**15,469**	**23**	**2,095**	**20%**

*Roanoke, Lynchburg, Charlottesville, Danville, and Bristol metropolitan areas
**Blacksburg/Christiansburg/Radford area, Staunton/Waynesboro area, Harrisonburg area, Winchester area, and Martinsville area

The housing needs of persons with disabilities fall along a continuum. Most require supportive housing that in most respects is no different from other affordable units, save for the possible need for special accessibility or adaptability features. The preferences of many people with disabilities not to live in housing intended primarily or exclusively for them reinforces this observation. In this case, affordability is the major feature defining this need. This is similar to the circumstances of lower income persons in general. Responses to this form of need generally must address the income of the individual or find ways to increase the supply of affordable units and thus keep their costs within reason. Expanding the overall supply of affordable rental housing is one effective way to meet much of this form of need by persons with disabilities.

A second, smaller set of persons with disabilities requires "supervised" housing, generally relatively conventional housing with in-home supervisory services. These needs could again be met by methods similar to those discussed for supportive housing, although they are often being addressed through special lease arrangements made by the local CSB or through arrangements with a specialized developer such as a local non-profit service provider.

A relatively smaller but growing number of individuals may need housing associated with "intensive" or "highly intensive" training or treatment regimens. These forms of housing and services are sufficiently specialized to require potentially specialized lending programs to enhance their overall feasibility. Highly specialized non-profit providers sometimes provide this form of housing.

The following tables update some of the levels of need originally identified in Senate Document 12.[7] Although there were almost 12,500 people on the CSB waiting lists on April 2, 2001, most actually had satisfactory housing circumstances. However, others from the following groups were more likely to be living in unstable or otherwise unsatisfactory housing circumstances. These included:

- The homeless
- The currently institutionalized
- Those living alone
- Those living with non-relatives in an unstable arrangement
- Those living with aging caregivers

The following table summarizes the status of persons on CSB waiting lists for residential services at various levels.

State Summary of Adults on Waiting Lists for CSB Residential Services Only April 2, 2001

Level of Service	Mental Health	Mental Retardation	Substance Abuse	Total
Congregate Programs				
Highly Intensive	239	462	0	701
Intensive	168	1,109	453	1,730
Supervised	376	750	166	1,292
All Congregate Programs	783	2,321	619	3,723
Supportive Residential Services				
Supportive	700	993	58	1,758

Current Living Situation for Persons on Waiting Lists for

[7] Report of the Virginia Housing Development Authority, Study of Funding for Housing Serving People with Disabilities, Senate Document No. 12, Appendix B. This appendix also provides more detailed information on local components of these areas of need

A Full Range of CSB Services April 2, 2001

Current Living Situation	Adult Mental Health	Mental Retardation[1]	Adult Substance Abuse	Total
Homeless or in Homeless Shelter	207	92	100	399
In Private Residence	3,431	3,511	1,397	8,339
Other facilities (ALF, community residential settings, correctional or other institutions)	470	399	473	1,342
Total Needing a Full Range of Services	4,108	4,002	1,970	10,080

[1]Note that 815 individuals awaiting MR services had caregivers over age 60.

Developmental Disabilities

In the 1998-2000 Developmental Disabilities State Plan, the Virginia Board for People with Disabilities its estimate of the number of persons with developmental disabilities. According to its methodology, the number had increased from 111,373 in 1990 to 119,130 by 1995. By 2000, the total was approaching 25,000—over a ten percent increase in less than a decade.

The Board noted the persistence of problems seen in earlier studies. Waiting lists for residential services continue to expand at an increasing rate, with individuals forced to wait for years after exiting special education programs before receiving access to community based services. The Board noted that major barriers to adequate housing included the lack of placement slots, discrimination in employment and housing, the lack of incentives for landlords to accommodate persons with disabilities, and a general lack of knowledge about the capabilities of persons with disabilities.

Physical Disabilities

In 2000 about seventeen percent of Virginia's population between the ages of 16 and 64 (766,435 people) had various physical or mental or self-care limitations. The currently available 2000 census data did not correlate information on those with mobility or self-care limitations and housing quality or cost.

In reviewing the needs of persons with physical or sensory disabilities for housing, Senate Document No. 12 drew upon the Disability Commission's comprehensive evaluation of state services to meet the needs of people with disabilities. Many of the conditions discussed in the section on the housing needs of persons with mental health, mental retardation, or substance abuse related disabilities also apply with equal force to persons with sensory or physical

disabilities. Affordability, availability, extensive waiting lists, and the need for varied levels of support or assistance were all in evidence.

As the following table shows, when the Disability Service Boards (DSBs) assessed the housing needs of their customers on a regional basis through a survey of nearly 600 persons with disabilities, they found a variety of factors inhibiting access to appropriate housing.

1999 Disability Services Board Needs Assessment Survey Data

Housing Needs/ Problems	Department of Rehabilitative Services Region						
	Central	Eastern	Northern	Southern	SW	Western	State
Overall Level of Need: Problems in finding satisfactory housing	31%	19%	38%	36%	16%	17%	29%
Specific Problem Housing not available in desired location	57%	31%	12%	23%	0%	40%	16%
Waiting list for housing assistance	14%	23%	13%	19%	33%	20%	18%
Available Housing too expensive	0%	15%	29%	31%	25%	0%	24%
Need for housing modifications	0%	8%	11%	8%	17%	20%	12%
Need help caring for residence	0%	8%	10%	15%	17%	20%	12%
Need help with self-care	14%	0%	9%	4%	0%	0%	8%

Overall, affordability, long waiting lists, and inappropriate locations were the leading problems identified by those who had had trouble in obtaining suitable housing. The lack of employment or employment opportunities and the generally lower income of persons with physical disabilities their housing options.

Through surveys of Centers for Independent Living (CILs), public housing authorities, and VHDA's Section 8 managers, Senate Document 12 identified potential problem areas making it difficult for persons with physical or sensory difficulties to access adequate housing. The responses of the three groups varied. CILs emphasized inadequate supplies, excessive costs, and the lack of supportive services and public transportation; PHAs placed less emphasis on these variables. Cost factors and limited supplies of accessible units also ranked among the significant barriers to matching the disabled with appropriately equipped units.

Generally high housing costs, high costs for accessible or adaptable homes in particular, a lack of affordable financing, a lack of accessible supportive services and/or public transportation, an inadequate supply of accessible homes available for sale, and a lack of information were all substantial barriers to persons with physical and sensory disabilities attaining home ownership.

HIV/AIDS

Epidemiology

The Virginia Department of Health (VDH) publishes a *Quarterly Surveillance Report* reporting cumulative and quarterly statistics by locality of persons testing positive for antibodies to Human Immunodeficiency Virus (HIV) and diagnoses of Acquired Immunodeficiency Syndrome (AIDS) and sexually transmitted diseases. The Report also advises on trends observed upon analyzing this data.

According to the *Division of HIV/STD Surveillance Quarterly* for the quarter ending December 31, 2002, 24,184 unduplicated persons have been diagnosed with either HIV or AIDS or both in Virginia since 1989 and 1982 respectively. Of this number, 77.9% are male and 22.1% are female. VDH reported the distribution of HIV or AIDS by the following racial/ethnic categories: 58.5% Black; 36.6% White; 3.7% Hispanic; and 1.3% Asian/Pacific Islander, American Indian/Alaskan Native, or Unknown. Just over forty-one percent (41.2%) of persons with HIV or AIDS were 30-39 years of age at the time of diagnosis; 26.4% were aged 20-29; 21.2% were aged 40-49 years. Three percent (3.3%) were 0-19 years of age at the time of diagnosis.

Although the report does not compare state and national trends in HIV and AIDS surveillance, Virginia's statewide statistics appear consistent with national trends noting the larger proportion of minority and female representation in the epidemic. The *Virginia HIV/AIDS Epidemiologic Profile Data Through 2000* reported several trends that may influence the level of need associated with infected persons and responses to that need. The incidence of the disease is significantly lower in the southwest and northwest portions of the state. Women continue to comprise a minority of cases, but the five-year trend indicated that women make up a growing percentage of new HIV and AIDS cases. In 1996, women represented 29% of new HIV cases and 18 % of new AIDS cases. By 2000, these had increased to 31 % and 25% for new HIV and AIDS cases respectively. This shift reflects the observed reduction in the number of reported cases of both HIV and AIDS among men and a slower rate of reduction in the number of HIV cases reported for women as well as a slight increase in the number of AIDS cases for women during the same period. Though cases of AIDS declined in both African-American and White populations between 1996 and 2000 by 21.2% and 35.6% respectively, the proportion of African-Americans in new cases became more pronounced with 62.9% of all AIDS cases in 2000 compared to 35.9% in 1996. Perhaps the most noticeable new trend reflects the relatively rapid growth in Virginia's Hispanic population. The number of AIDS and HIV cases reported increased within the Hispanic population, accounting for 4.7 % of new reported AIDS and 4.4 % of new reported HIV cases in 2000. The most recent analysis of the age distribution reveals that the proportion of cases in the 20-29 age group has declined, while a small increase is observed among the 30-39 and 40-49 age groups. The 50+ age group showed the biggest jump in the

proportion of new HIV cases, although the actual number of cases has fallen within each age group since 1996.

Finally, VDH reports indicate that AIDS remains a predominantly urban disease. In 2002, persons residing in a Metropolitan Statistical Area (MSA) accounted for 78.7% of cases in 2002 compared to 22.3% in non-metro areas. Thus, despite an overall decline in the number of new AIDS cases reported between 1995 and 2002, the percentage of cases reported in rural communities grew from 9.1% in 1995 to 22.3% in 2002; the urban share declined 78.7% of the total.

Prevalence of Homelessness

Estimates of the number of persons living with HIV/AIDS who have experienced homelessness vary. According to the *Epidemiologic Profile*, homeless persons are at increased risk for contracting HIV/AIDS and, conversely, persons with HIV/AIDS are at increased risk of becoming homeless. National estimates indicate that homeless adults were more than three times as likely as the general population to be HIV positive. A 1998 study by the Central Virginia HIV Care Consortium and Housing Opportunities Made Equal found that four percent of the region's HIV clients were either homeless or living in an emergency shelter. The lack of consistent and formalized Continuum of Care planning in all HOPWA "balance of state" localities has hindered the consistent enumeration of this target population. The *Commonwealth of Virginia Statewide Continuum of Care* submitted to HUD in May 1999 included an estimate that 481 individuals living with HIV or AIDS were homeless at any point in time. At the time, the program served 288 persons resulting in an unmet need of approximately 193 individuals. In addition, there were an estimated 137 homeless persons with HIV or AIDS in families with children. The current inventory of facilities provided for 63 persons in families served, resulting in an unmet need on behalf of 65 homeless persons with HIV or AIDS in families with children. These figures covered an area that did not coincide with the geography of the state HOPWA program. A subsequent gap analysis included in the Virginia *HIV/AIDS Housing Plan* in 2001 indicated an unmet need of at least 302 individuals and 55 persons in families.

According to information on the state's HOPWA activities for state fiscal year 2002, some 165 households received assistance for the period July 1, 2001 – June 30, 2002, at least some of whom were living on the streets or in emergency shelters.

The Department maintains quarterly statistics from 108 non-profit organizations and local government providers operating emergency shelters and transitional housing programs for the homeless and who receive Emergency Shelter Grant and/or SHARE-Shelter Support Grant funds. According to reports

submitted of service during state FY 2002, of 22,574 persons served in emergency shelter facilities, 171 persons disclosed their HIV+ status. Because this number represents the number of persons who self-declared their status to shelter staff, it likely underestimates the actual count of HIV positive consumers entering the shelter system.

The *Virginia HIV/AIDS Housing Plan* supplemented its quantitative data sources with a survey of persons living with AIDS as a means for determining their housing needs and preferences. Based on these interviews, epidemiological data, interviews with key personnel across the state, focus groups, and other sources, the Plan identified several housing issues defining housing need for persons with HIV/AIDS. Some of these reflect broader housing concerns, such as rental affordability, affecting all lower income persons and households. Others have unique features associated with the distinct circumstances of persons with HIV/AIDS.

General Housing Conditions Affecting the HIV/AIDS Population

Among the more general factors, the demand for permanent affordable housing across the state, with or without a public subsidy, exceeds the supply. Besides monthly rents, security deposits and utility costs can make housing unaffordable. Waiting lists for permanent, subsidized, affordable housing—operated by both nonprofit and public sponsors—remain long. Challenges to developing new affordable housing of any kind include neighborhood opposition and insufficient subsidy to make housing affordable to those with the lowest incomes. Furthermore, creating additional affordable rental housing is not necessarily politically or economically feasible at either the state or local level.

In many Virginia localities, the dearth of rental housing at any price is a concern. Rural Virginia areas, in particular, have smaller supplies of rental housing. Opposition to even unsubsidized rental housing is a factor in many communities that deters efforts to plan for or approve additional rental units. Many smaller cities and suburban areas structure their land use regulations restrict the development of new rental housing. Because localities are more likely to respond favorably to new owner housing, available resources may be directed away from subsidized rental activities and toward homeownership initiatives. The effect is to limit permanent housing options open to people with lower incomes.

As with other populations characterized in part by lower income levels, housing quality is a concern in every area of the state. Consumers with fixed incomes of approximately $600/month are acutely rent burdened. They pay upwards of 80% of their income on housing expenses, particularly in outlying suburban areas of Northern Virginia with extremely high rents. In addition, many subsidized housing programs are closed with waiting lists in excess of three

years. Tenant-based rental assistance through the HOPWA program is often the only immediate option for permanent housing stability.

Lower income renters and homeowners are more likely to experience a variety of quality problems. These include insecure doors, a lack of adequate heating or cooling, and missing or broken appliances. In the rural areas covered by the state HOPWA program, persons living with HIV and AIDS often struggle with the same housing deficiencies faced by other rural residents. For example, consumers frequently live in substandard living conditions which exacerbate their health conditions, such as lack of indoor plumbing, inadequate heating and cooling, faulty electrical systems and weakened structural elements i.e. roofs and flooring. Due to limited housing affordability, consumers accept these inferior units and other unconventional housing situations, such as doubling-up with acquaintances because they are affordable. Renters without adequate tenancy skills can place additional stresses on available housing. Building code enforcement for existing rental property can vary greatly from jurisdiction to jurisdiction. In urban areas, additional quality concerns relate to the neighborhoods in which housing is more affordable. Neighborhood quality problems can range from those that are inconvenient—for example, the lack of nearby shopping or laundry facilities or reliable public transit—to those that pose a real threat or hazard such as street violence or drug activity. Because of the substance abuse histories of some consumers, housing must be located in appropriate neighborhoods not plagued with crime and drug trafficking, which can encourage substance abuse setbacks.

Housing needs of persons living with HIV or AIDS often mirror those of persons with disabilities. Consumers desire to live within close proximity of their primary medical provider and their support network of family and friends and reside in housing which allows them to maintain maximum independence with access to community supports as needed. Tenants sometimes require handicap accessible dwellings, yet cannot locate such units or afford to construct wheelchair ramps and add interior modifications.

Specific Issues for the HIV/AIDS Housing Continuum

Discontinuity in the overall continuum is a serious concern. Gaps between one resource and the next challenge persons with HIV/AIDS and those who work to provide services and housing to them. Each community must decide the best way to use its limited resources. Balancing the level of resources available to each person with the number of people who can be served over time requires compromise and adjustments. Specific examples of the challenges facing the HIV/AIDS housing market are discussed below.

- **Short-term emergency housing** is inadequate or nonexistent in some cases. For example, a person without permanent housing upon discharge from the hospital, from in-patient treatment, or from jail, has very few options.

Case managers in both of the major metropolitan areas report that existing shelters may not be accessible due to space availability or eligibility criteria. Portions of the Balance of State have no shelters at all. For a person who is particularly frail or vulnerable, a shelter placement may not be appropriate; however, there are typically no other options available on an emergency basis.

- **Transitional housing (**housing that is available for less than 24 months) is also in short supply. Shorter or longer stays may be appropriate based on the needs of the individual. Transitional housing allows people an opportunity to gain stability and develop a rental history before moving to permanent housing. People leaving hospitals, in-patient treatment, and correctional facilities need additional transitional opportunities.
- Appropriate solutions for persons with **higher care needs** are difficult to find. Assisted living homes vary greatly in quality. Providers in different parts of the state report varying degrees of success, ranging from low to moderate, in placing consumers in nursing homes. Home health workers willing to care for people living with HIV/AIDS are very difficult to find and retain.
- Consumers and providers report that even if HOPWA or Section 8 rental assistance is available, **it can be difficult to find a landlord** who will accept these subsidies, or to find units within rent limits that meet HUD's housing quality standards. Landlords who have had a poor experience with a tenant receiving HOPWA or Section 8 are often reluctant to accept another, out of concern for their property and the potential problems that may occur.
- Finally, providers and advocates noted some concern about whether the existing system does enough to **encourage self-sufficiency**. Consumers shared this concern; citing the need for more vocational rehabilitation and employment services, education and literacy programs, and assistance with financial planning and budgeting.

Distribution of HIV and AIDS Cases within the DHCD HOPWA Program Service Regions through December 31, 2002

SOUTHWEST REGION

	Sq. Miles	AIDS	HIV	Total
Alleghany	446	13	4	17
Amherst	470	19	25	44
Appomattox	345	22	10	32
Bedford	778	28	16	44
Bedford City	7	6	9	15
Bland	269	5	1	6
Botetourt	546	18	10	28
Bristol	12	14	15	29
Buchanan	508	13	19	32
Campbell	511	43	43	86
Carroll	496	7	8	15
Clifton Forge	4	5	3	8
Covington	4	12	7	19
Craig	339	0	0	0
Danville	17	117	117	234
Dickenson	335	2	1	3
Floyd	383	5	4	9
Franklin Co.	721	17	19	36
Galax	7	6	5	11
Giles	363	9	2	11
Grayson	494	5	2	7
Halifax	811	72	67	139
Henry	394	44	26	70
Lee	450	8	5	13
Lynchburg	51	165	152	317
Martinsville	11	33	30	63
Montgomery	395	39	24	63
Norton	7	2	1	3
Patrick	469	9	5	14
Pittsylvania	1,012	38	36	74
Pulaski	333	19	17	36
Radford	8	5	6	11
Roanoke City	43	409	434	843
Roanoke Co.	248	37	23	60
Russell	552	10	9	19
Salem	14	29	19	48
Scott	539	4	4	8
Smyth	435	14	24	38
Tazewell	483	18	12	30
Washington	578	21	10	31
Wise	435	16	19	35
Wythe	460	17	15	32
Total	14,783	1375	1258	2633

NORTHWEST REGION

	Sq. Miles	AIDS	HIV	Total
Albemarle	741	741	40	781
Augusta	986	39	41	80
Bath	540	3	3	6
Buena Vista	7	0	7	7
Caroline	549	25	31	56
Charlottesville	10	152	117	269
Fluvanna	288	30	25	55
Frederick	422	33	14	47
Greene	153	5	4	9
Harrisonburg	6	33	25	58
Highland	416	0	0	0
Lexington	3	7	2	9
Louisa	517	37	27	64
Madison	327	7	11	18
Nelson	471	9	12	21
Orange	355	31	26	57
Page	316	14	11	25
Rappahannock	267	4	3	7
Rockbridge	600	7	7	14
Rockingham	871	29	21	50
Shenandoah	507	16	12	28
Staunton	9	48	40	88
Waynesboro	7	17	21	38
Winchester	9	76	59	135
Total	8,377	1363	559	1922

MIDDLE PENINSULA REGION

	Sq. Miles	AIDS	HIV	Total
Essex	264	5	8	13
King & Queen	327	8	8	16
King William	286	8	11	19
Lancaster	153	16	21	37
Middlesex	138	8	7	15
Northumberland	223	13	14	27
Richmond Co.	203	22	30	52
Westmoreland	250	26	15	41
Total	1,844	106	114	220

SOUTH CENTRAL REGION

	Sq. Miles	AIDS	HIV	Total
Amelia	366	15	9	24
Brunswick	579	46	57	103
Buckingham	582	66	60	126
Charlotte	471	12	5	17
Cumberland	292	9	10	19
Emporia	2	16	19	35
Greensville	301	56	81	137
Lunenburg	443	38	29	67
Mecklenburg	675	74	70	144
Nottoway	308	59	58	117
Prince Edward	357	30	29	59
Total	4,376	421	427	848

EASTERN REGION

	Sq. Miles	AIDS s	HIV	Total
Franklin City	4	25	29	54
Southampton	604	20	18	38
Surry	306	7	7	14
Sussex	496	35	37	72
Total	1,410	87	91	178

EASTERN SHORE REGION

	Sq. Miles	AIDS	HIV	Total
Accomack	602	91	94	185
Northampton	357	30	39	69
Total	959	121	133	254

TOTAL SQ. MILES IN SERVICE REGIONS	**31,749**
TOTAL HIV CASES IN SERVICE REGIONS	**2,582**
TOTAL AIDS CASES IN SERVICE REGIONS	**3,473**

Virginia Department of Health
Division of HIV/STD
Surveillance Quarterly
December 31, 2002

D. Lead–Based Paint Hazards

HUD requires that the Consolidated Plan estimate of the number of housing units within the State that have lead based paint hazards and are occupied by low-or moderate-income families. The requirements use the same definition of lead-based paint hazards found in Title X of the Housing and Community Development Act of 1992. These include any condition "that causes exposure to lead from lead contaminated dust, lead contaminated soil, lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces . . .."

Because neither standard census tabulations nor the special HUD tabulations provide direct information on the number of units containing these specific lead hazards nor the percentage of them occupied by low-income households, other indicators must be used to develop the requisite estimates. These proxies include the age of housing by affordability level, the number of lower-income renter units identified as having one or more housing problems, and extremely low-income owner units with one or more housing problems. These data sources can be supplemented by the latest estimates of childhood lead poisoning available from the Virginia Department of Health, which cooperates with the Department of Housing and Community Development and other state agencies in the effort to reduce the incidence and consequences of lead poisoned children.

The first indicator remains the most useful guide to estimating the total number of units with potential lead-based paint hazards. Focusing on housing built during the period when lead-based paint either was in common use or was being phased out, it casts the broadest net. In addition, unlike other indicators—such as affordability and incidence of housing problems--the count of units built before a given date is somewhat less subject to fluctuation over time. However, note that a comparison of the 1980, 1990, and 2000 census estimates of the number of housing units built before 1979 shows a steady erosion over time. Thus, not only has the proportion of older units in the state's total housing inventory diminished, thanks to demolition and major rehabilitation efforts the actual number of older units also appears to be declining.

A two-step process may be used to develop estimates based on this data. First, estimate the percentage of units likely to contain lead-based paint in each period for which data on the age of housing is available. Applying an estimation factor based on the Final Report of the *National Survey of Lead and Allergens in Housing* and the 1995 HUD *Guidelines* yields the potential count of units likely to contain an actual lead based paint hazard.[8] Second, further narrow the breadth by identifying units affordable to lower income households.

[8] The estimate uses the upper limit at the 95% confidence interval.

Age of Units and Unit Affordability

Unfortunately, the 1990 and 2000 census data did not provide the same detail as the 1980 census of the date of construction for housing units built during the 1970s. Thus, in the first step of this estimation process, housing built during the entire decade rather than just that constructed before the cut off of the use of lead in paints for home use must be included. The following table summarizes this approach.

Housing in the 2000 Inventory with Potential Lead Hazards Based on Construction Date

Construction Date	Total Units	Estimation Factor	Units with Possible Lead Hazards
Pre-1940	264,542	.80	211,634
1940-1959,	515,153	.62	319,395
1960-1969	404,533	.22	88,997
1970-1979	570,065	.22	125,414
Pre-1940 - 1979	1,754,293		745,440

In 1998, the Environmental Protection Agency took a slightly different approach in attempting to identify the risk of childhood lead poisoning by assessing various types of hazards in the housing inventories of the states in Federal Region 3.[9] Their analysis did not distinguish between owner and renter units, but focused instead on the number of unties that could contain lead, the number of *affordable* units with a potential lead hazard, and the number of units with excessive lead dust. Their report estimated that just over 1.6 million units contained lead-based paint, with the highest numbers being reported in Fairfax County and the Cities of Richmond, Virginia Beach, and Norfolk. Other concentrations appeared in the more mature suburban counties such as Arlington, Henrico, and Chesterfield. Their estimate suggests that nearly 90 percent of the units constructed through 1980 contained lead-based paint. When the analysis shifted to potentially affordable[10] housing units with lead-based paint, the count dropped to just under .8 million units or about one-half of the lead hazard units. These were even more highly concentrated in Virginia's older central cities and inner-ring suburban counties. Finally, EPA narrowed the focus further, estimating the number of homes with lead dust exceeding HUD guidelines 217,141. Again, Virginia's older core cities and counties contained the largest number of such units.

Incidence of Lead-Poisoned Children

[9] Environmental Protection Agency, Report on EPA Region 3 Project to Characterize the Extent of Children's Health Risk from Lead in the Region, (November 1998).

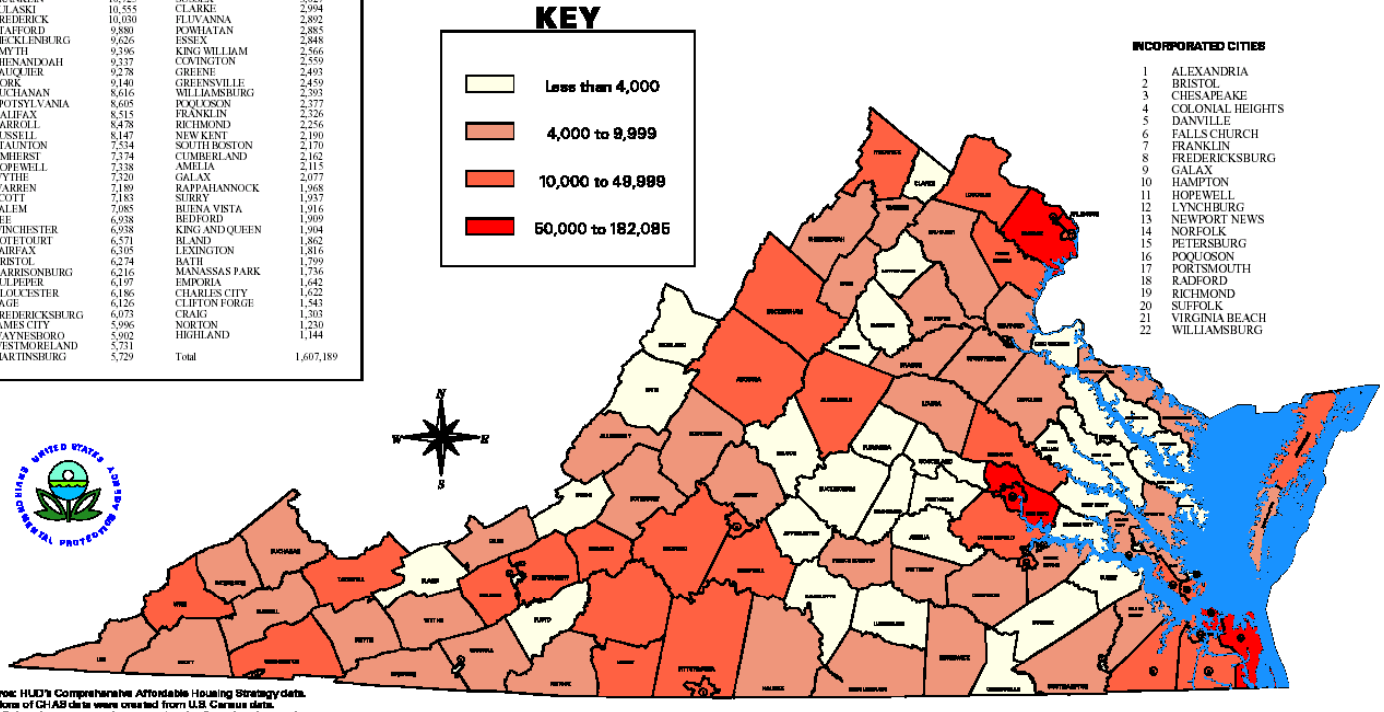
[10] EPA defined affordable units as the sum of renter and owner units for households with incomes <$35,000 whose housing costs were <$30 percent of household income, e.g., not exceeding $875/month.

The Virginia Department of Health (VDH) has continued to refine its on the number of cases of reportable blood lead poisoning (levels at or above 10 µg/dL). Between 1994 and 1998, DOH noted some 3,239 cases out of an estimated population aged 0-5 of 503,113, or about 0.6 percent of this critical age group. The Department's most recent publication (for the year 2001) of the prevalence of elevated blood levels and the proportion of children under age 6 with elevated blood levels found that about 3 percent of the children tested statewide had elevated blood lead levels. VDH estimates that 25,000 children throughout the state have elevated levels of blood lead. Of Virginia's 134 cities and counties, 75 have at least one census tract with a predicted child elevated blood lead level (EBBL) incidence of greater than twelve per cent (>12%). VDH data for the period between 1995 and 2001 identified 16,165 children statewide with blood lead levels of ≥ 10 цg/dl. The majority of these screenings came from localities (Lynchburg, Norfolk, Petersburg, Portsmouth, and Richmond) that have received CDC funds for such activities. Another large pool of screenings comes from tests performed on participants in the Women, Infants, and Children (WIC) program during examinations and from Medicaid providers. Regardless of where the screening originates, funds earmarked for environmental hazard intervention are currently limited to areas served by the state's grant and Richmond City. However, the numbers tested and the proportions varied considerably from locality to locality. Higher incidences were reported in a number of localities believed to have higher risks for lead poisoning because of the characteristics of their housing stock. In general, older central cities and rural areas with predominantly older housing appear to be at the greatest risk.

Regardless of which estimate is selected, the evidence is clear that there remains a substantial housing inventory that poses a potential if not actual threat of lead poisoning to children and others. As the maps on the following pages suggest, there is a significant degree of correspondence between areas with substantial inventories of housing containing lead-based paint and a high incidence of children reported with EBLL. Programs that focus on areas with high concentrations of such units are likely to have the greatest impact in the shortest time on reducing the overall level of hazard.

Housing Units Estimated to Contain Lead Based Paint in Virginia

County	Number	County	Number
FAIRFAX	182,085	PATRICK	5,569
RICHMOND	74,580	ROCKBRIDGE	5,519
VIRGINIA BEACH	73,586	ORANGE	5,504
NORFOLK	72,419	ISLE OF WIGHT	5,481
ARLINGTON	64,570	DINWIDDIE	5,452
HENRICO	59,247	LOUISA	5,407
NEWPORT NEWS	45,674	PRINCE GEORGE	5,282
ALEXANDRIA	45,185	GILES	5,268
CHESTERFIELD	38,719	COLONIAL HEIGHTS	5,085
PRINCE WILLIAM	37,746	GRAYSON	5,040
HAMPTON	36,838	DICKENSON	4,879
ROANOKE	34,899	CAROLINE	4,601
PORTSMOUTH	32,205	SOUTHAMPTON	4,532
CHESAPEAKE	30,449	NORTHUMBERLAND	4,519
ROANOKE	21,650	PRINCE EDWARD	4,428
LYNCHBURG	20,267	BRUNSWICK	4,427
DANVILLE	18,545	NORTHAMPTON	4,397
MONTGOMERY	17,013	NOTTOWAY	4,241
HENRY	16,393	MANASSAS	4,241
LOUDOUN	15,692	ALLEGHANY	4,046
ALBEMARLE	15,482	NELSON	3,970
PITTSYLVANIA	15,351	FALLS CHURCH	3,901
ROCKINGHAM	14,953	LUNENBURG	3,819
AUGUSTA	14,022	LANCASTER	3,748
HANOVER	13,703	MIDDLESEX	3,743
TAZEWELL	13,535	FLOYD	3,693
SUFFOLK	13,097	CHARLOTTE	3,571
WASHINGTON	12,983	RADFORD	3,443
CHARLOTTESVILLE	12,890	APPOMATTOX	3,437
CAMPBELL	12,441	BUCKINGHAM	3,424
PETERSBURG	12,241	MATHEWS	3,223
WISE	11,066	KING GEORGE	3,194
ACCOMACK	11,016	GOOCHLAND	3,158
BEDFORD	10,725	MADISON	3,047
FRANKLIN	10,725	SUSSEX	3,027
PULASKI	10,555	CLARKE	2,994
FREDERICK	10,030	FLUVANNA	2,892
STAFFORD	9,880	POWHATAN	2,885
MECKLENBURG	9,626	ESSEX	2,848
SMYTH	9,396	KING WILLIAM	2,566
SHENANDOAH	9,337	COVINGTON	2,559
FAUQUIER	9,278	GREENE	2,493
YORK	9,140	GREENSVILLE	2,459
BUCHANAN	8,616	WILLIAMSBURG	2,393
SPOTSYLVANIA	8,605	POQUOSON	2,377
HALIFAX	8,515	FRANKLIN	2,326
CARROLL	8,478	RICHMOND	2,256
RUSSELL	8,147	NEW KENT	2,190
STAUNTON	7,534	SOUTH BOSTON	2,170
AMHERST	7,374	CUMBERLAND	2,162
HOPEWELL	7,338	AMELIA	2,115
WYTHE	7,320	GALAX	2,077
WARREN	7,189	RAPPAHANNOCK	1,968
SCOTT	7,183	SURRY	1,937
SALEM	7,085	BUENA VISTA	1,916
LEE	6,938	BEDFORD	1,909
WINCHESTER	6,938	KING AND QUEEN	1,904
BOTETOURT	6,571	BLAND	1,862
FAIRFAX	6,305	LEXINGTON	1,816
BRISTOL	6,274	BATH	1,799
HARRISONBURG	6,216	MANASSAS PARK	1,736
CULPEPER	6,197	EMPORIA	1,642
GLOUCESTER	6,186	CHARLES CITY	1,622
PAGE	6,126	CLIFTON FORGE	1,543
FREDERICKSBURG	6,073	CRAIG	1,303
JAMES CITY	5,996	NORTON	1,230
WAYNESBORO	5,902	HIGHLAND	1,144
WESTMORELAND	5,731		
MARTINSBURG	5,729	Total	1,607,189

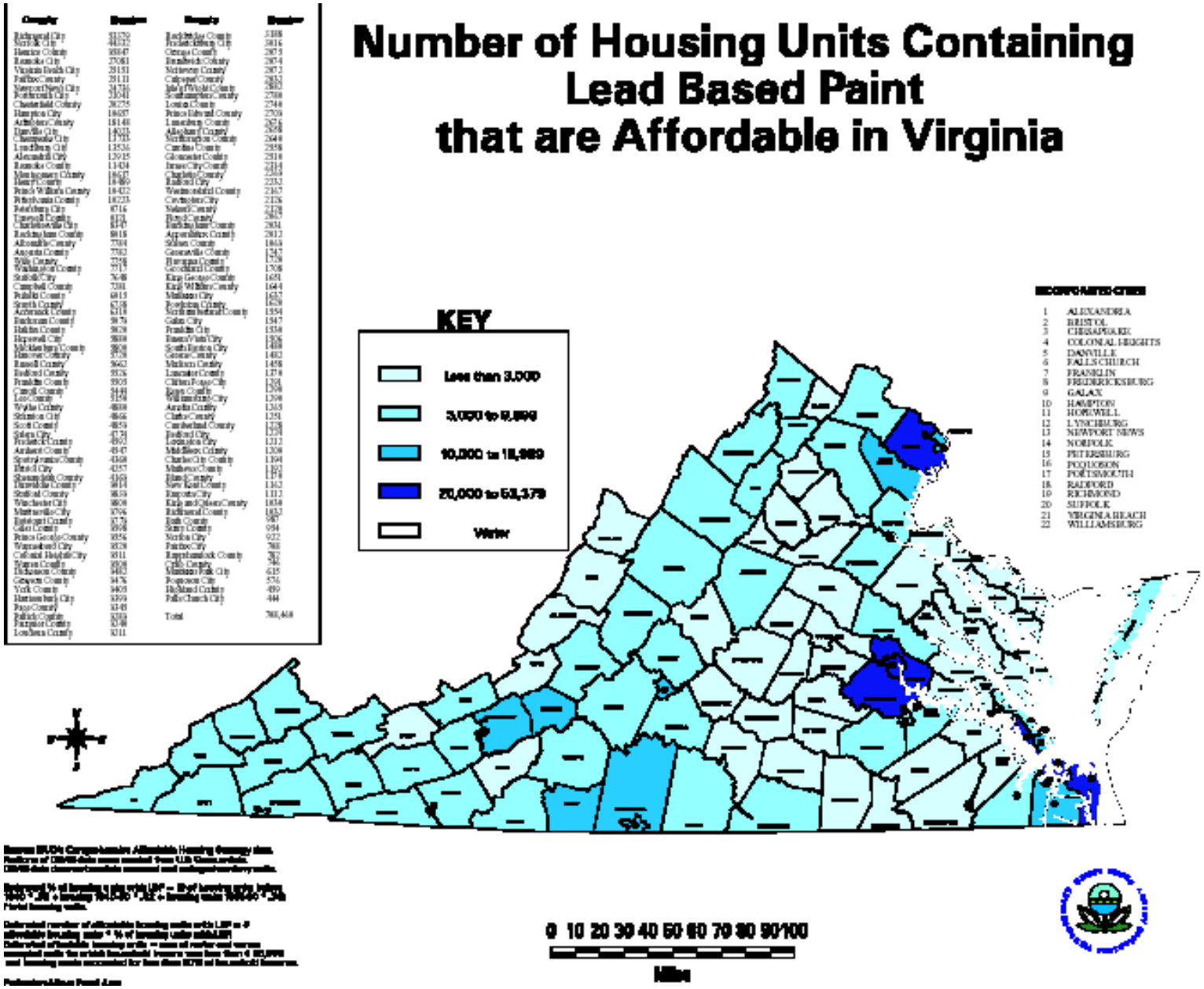


Source: HUD's Comprehensive Affordable Housing Strategy data.
Portions of CHAS data were created from U.S. Census data.
CHAS data does not contain seasonal and college dormitory units.

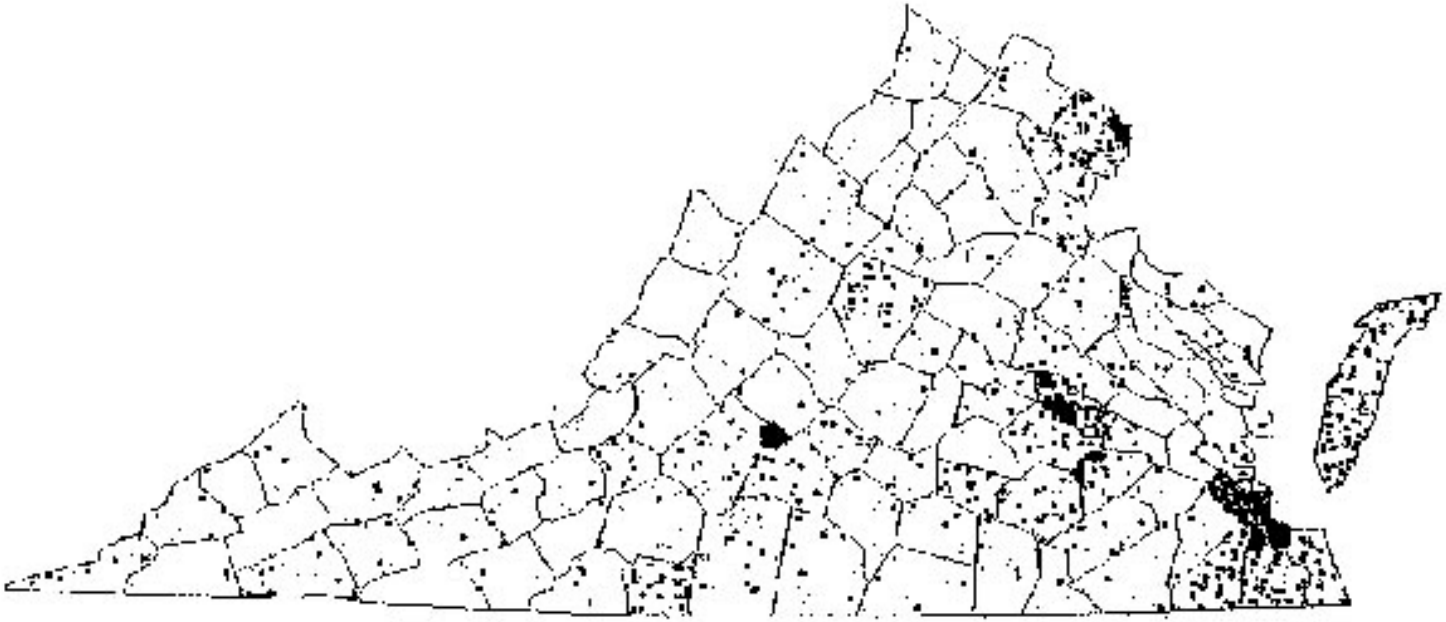
Estimated % of housing units with LBP = (# of housing units before 1940 * .88 + housing 1940-60 * .02 + housing units 1961-80 * .76) / total housing units.

Projection: Albers Equal Area

Number of Housing Units Containing Lead Based Paint that are Affordable in Virginia



Virginia Reported Cases of Elevated Blood Lead ≥ 15 µg/dL in Children Aged 0-5 Fiscal Years 1995-1999 Total Cases 3,118



Data Source: Virginia Department of Health. Office of Epidemiology

January 2000

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II. Housing Market Analysis

A: General Characteristics

This section of the Consolidated Plan examines several important housing market indicators. These indicators include tenure, vacancy rates and availability, affordability, and indicators of housing quality. As was the case for the analysis of housing need, the discussion in this section departs from the material HUD previously provided through compilations from the 1990 census data. Because special tabulations from the 2000census are not yet available for use in conjunction with development of Consolidated Plan documents, this section references the most recent data made available through the reports of the Census Bureau, the state data center, the Virginia Center for Housing Research at Virginia Tech, or other credible sources. It also draws extensively on findings from the 2001 Housing Needs Assessment relating to supply and demand factors. Some of this information is available only at the state level and cross tabulations are not yet available to provide additional dimensions to the analysis. Nonetheless, it provides an indication of trends and conditions for some of the most important aspects of housing production and supply.

Housing Supply

As of April 1, 2000, the census indicated that Virginia had 2,904,192 housing units—approximately 400,000 more than were present in 1990. This marked an increase of 16.3 percent for the decade. The number of households increased by 407,343 during the same period to 2,699,173, an increase of approximately 17.8 percent. This disparity in household formation versus housing units indicated the presence of somewhat tighter housing market conditions at the close of the decade than had existed at the in 1990. However, there were significant differences in the experience of regional markets as indicated on the following table.

In crease in Housing Units and Households 1990-2000

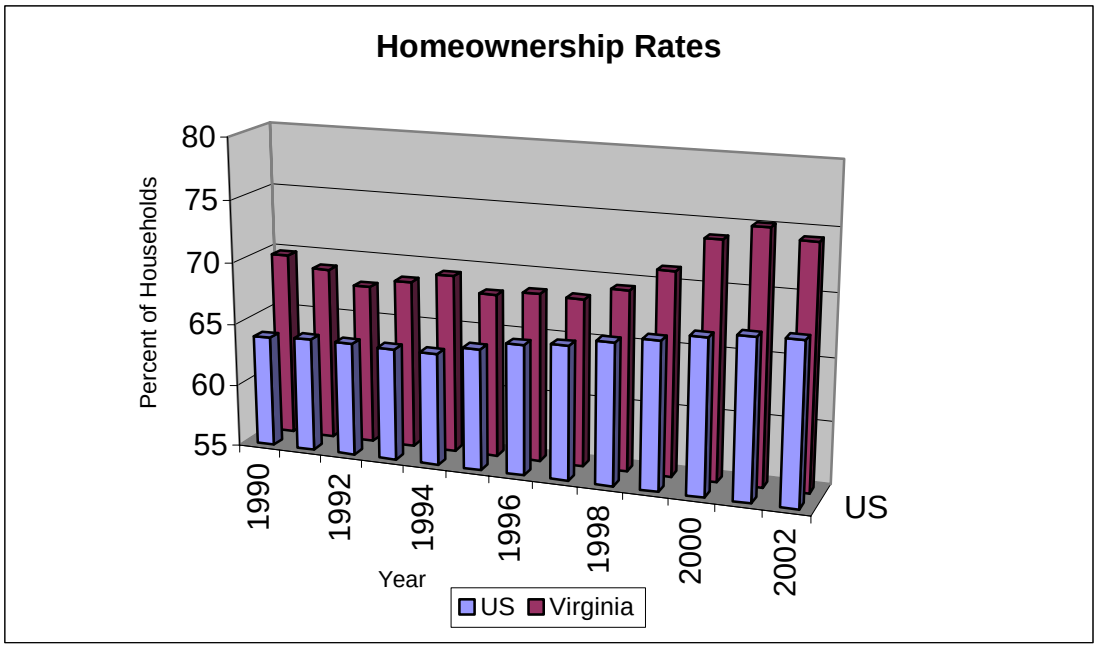
Area	Single Family Site Built	Single-Family Manufactured	Multi-Family	Total Units	Households
Large Metro Markets	194,600 18.7%	2,400 4.9%	43,900 9.7%	240,900 15.6%	263,261 18.4%
Small Metro Markets	52,600 20.0%	13,500 34.2%	7,300 10.3%	73,300 10.3%	66,850 19.4%
Non-Metro Urban Markets	18,900 15.2%	6,700 27.4%	5,300 14.6%	31,000 16.7%	29,000 16.7%
Rural Markets	26,800 9.3%	33,000 43.4%	2,800 9.4%	62,700 15.8%	48,232 14.1%
State Total	292,900 17.0%	55,600 29.4%	59,400 10.1%	407,900 16.3%	407,343 17.8%

The net shortfall is clearly centered on Virginia's major metropolitan housing markets and has potential consequences for affordability in these markets. The continued boom in housing production post-census coupled with the generally flat economy may have ameliorated this condition, but it remains potentially troublesome. In other market areas, there was a better fit between household formation and the growth of population and households.

The significant role of manufactured housing in Virginia's smaller and rural housing markets should be noted. Without the availability of this housing source, these markets would not be able to match the increased housing demand or sustain housing affordability.

Tenure

At the beginning of the decade, owner households held just over 66 percent of all occupied units; renter households accounted for the remaining 33.7 percent. The 2000 census indicated that homeownership in Virginia had reached 68.1 percent, with a corresponding decrease in the percentage of renter households. Estimates from the annual Current Population Survey, which covers the period between censuses, shown on the following chart, indicate that Virginia's home ownership rate has remained above the national average.[1] During the latter half of the decade and in the post census period, levels of homeownership reached new peaks at both the national and state ownership levels.



[1] Note that decennial census estimates and the Current Population Survey (CPS) data are not strictly comparable; however, while the CPS data overstates the level of homeownership it does confirm the general trend reported in the 2000 census.

Although this statewide trend is generally perceived as favorable, not all areas or populations benefited equally. A closer examination of some of the detail may identify potential areas of concern.

Housing Tenure in 2000		
	Percent Owners	Percent Renter
Large Metro Markets	65.4%	34.6%
Small Metro Markets	71.2%	28.8%
Non-Metro Urban	67.8%	32.2%
Rural	76.7%	22.3%
Statewide	68.1%	31.9%

During the 1990s, ownership rates increased by the greatest amounts in urban and suburban areas while showing much smaller increases in rural portions of the state, even though home ownership was still generally higher in rural areas and small cities. Home ownership rates were already higher in rural and small urban areas than in the more populous communities of metropolitan Virginia. In rural areas, owner-occupied units accounted for almost 77 percent of the housing stock in 2000 compared to 23 percent for renter households. The rates in small metropolitan areas fell between these extremes; just over 71 percent of the units in these areas were owner-occupied, with only 29 percent renter-occupied.

Homeownership Rate by Race and Ethnicity, 1990-2000

Area	White, Non-Hispanic	Black	Asian	Hispanic
Large Metro Markets	1990 68.6% 2000 73.0%	1990 44.4% 2000 47.6%	1990 n/a 2000 58.3%	1990 39.8% 2000 44.4%
Small Metro Markets	1990 72.4% 2000 74.9%	1990 54.3% 2000 54.6%	1990 n/a 2000 45.8%	1990 52.9% 2000 50.0%
Non-Metro Urban Markets	1990 69.0% 2000 70.3%	1990 57.3% 2000 54.0%	1990 n/a 2000 26.4%	1990 35.9% 2000 31.9%
Rural Markets	1990 77.9% 2000 78.9%	1990 67.8% 2000 67.4%	1990 n/a 2000 59.7%	1990 59.6% 2000 47.1%
State Total	1990 70.8% 2000 74.0%	1990 49.2% 2000 51.1%	1990 n/a 2000 57.0%	1990 40.9% 2000 44.3%

The 2000 census indicated that 81.8 percent of owner households were white, 13.7 percent black, 2.4 percent Asian, less than 1 percent American Indian or Alaska Native, and 2 percent Hispanic. As the preceding table indicates, ownership rates varied considerably within each of these racial or ethnic groups. While overall homeownership rates increased within each of the major ethnic and racial categories, the results were uneven across the varied housing markets. Only white, non-Hispanic homeownership increased across all market areas.

The net result was that the homeownership gap between minorities and white Virginians actually increased during the decade.

Virginia Center for Housing Research (VCHR) analysis of 1990 census data had shown some erosion in the ownership rates for households with annual incomes below $75,000 during the period from 1980 to 1990. However, income was not the only factor that appeared to be related to homeownership rates. Other factors such as the age of the householder and the type of household played a role. For example, eighty-two percent of married couples with children were homeowners. Even in the lowest income category considered (households with incomes below $10,000 annually), a majority of married couples with children were homeowners. Only 17.1 percent of the households headed by a person under the age of 25 were homeowner households, but 80.5 percent of the households in the group aged 45-64 were. Unmarried household types, single person households, and single parents of either gender were less likely to be homeowners.[2] Reassembling the available 2002 census data on ownership to match the format in the VCHR report provides another look at these trends.

Home Ownership by Income Level, 1990-2000

	Income Level					
	"Extremely Low"	"Very Low"	"Low"	"Middle"	"Upper Middle"	"Upper"
Census	Less than $10,000	$10,000 to $19,999	$20,000 to $34,999	$35,000 to $49,999	$50,000 to $74,999	$75,000 or more
1990	45.8%	51.7%	59.5%	72.3%	81.8%	90.5%
2000	39.9%	50.6%	56.9%	66.3%	76.1%	86.3%

As evidenced by the initial results of the 2000 census, the sweep of significant demographic changes may influence demand for home ownership. Since 1990, reflecting broader demographic changes, the percentage of the population in younger adult age groups (e.g., individuals aged 20-24 or 24-34) fall relative to the overall trend in the creation of households. The highest growth occurred among those aged 45-64, reflecting the influence of the baby boom generation and the in migration accompanying the economic boom of the 1990s. The second highest increase among persons aged 35-44. Similarly, while the percentage of family households headed by persons aged 15-24 and 25-34 fell between 1990 and 2000, the share of family households headed by persons in the older age groups (35-44, 45-54, and 55-64) increased by 17.1, 36.8, and 18.7 percent respectively. The effect of having a large proportion of Virginia's households falling within age ranges characterized by peak earnings may have been reflected in the parallel increase in the proportion of owner as opposed to renter households during the decade.

[2] C. Theodore Koebel, "Understanding Homeownership: A Virginia Analysis", Center for Housing Research, Virginia Tech, 1995.

Homeownership by the Age of Householder and Family, 1990-2000

		Householder Under 35		Householder 35-64		Householder 65+	
		Family	Other	Family	Other	Family	Other
Large Metro Markets	1990	46.7%	27.3%	79.5%	57.0%	86.7%	60.4%
	2000	46.0%	22.7%	79.1%	57.9%	88.6%	65.9%
	Change	-0.7%	-4.6%	-0.4%	0.9%	1.9%	5.5%
Small Metro Markets	1990	54.4%	23.4%	83.5%	5.8%	88.9%	68.4%
	2000	54.8%	23.1%	83.5%	58.9%	90.4%	70.3%
	Change	0.4%	-0.3%	0.0%	1.1%	1.5%	1.9%
Non-Metro Urban Markets	1990	52.7%	17.9%	83.5%	59.5%	89.5%	71.3%
	2000	52.8%	16.0%	82.4%	58.3%	90.7%	72.4%
	Change	0.1%	-1.9%	-1.1%	-1.2%	1.2%	1.1%
Rural Markets	1990	59.4%	37.1%	83.9%	67.5%	90.3%	76.9%
	2000	58.8%	37.0%	83.8%	65.8%	91.7%	77.5%
	Change	-0.6%	-0.1%	-0.1%	-1.7%	1.4%	0.6%
State Total	1990	49.8%	26.6%	81.1%	58.5%	88.1%	66.4%
	2000	49.4%	23.0%	80.7%	59.1%	89.7%	69.6%
	Change	-0.4%	-3.6%	-0.4%	0.6%	1.6%	3.2%

However, the current decade will experience equally significant shifts in the age structure of the population. While the middle-aged population (aged 45-64) should increase by more than 28 percent over the decade, growth in the younger adult population will once again resume. The population aged 65-74 is also expected to increase significantly during the decade.

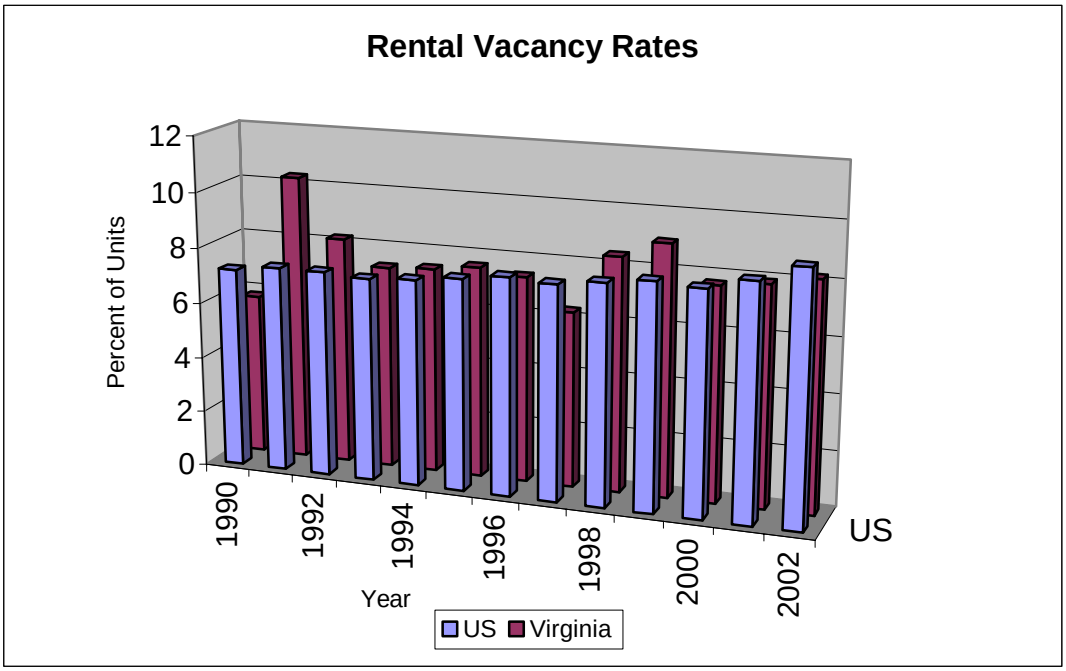
Vacancy Rates

Rental and owner vacancy rates have fluctuated throughout the decade. Although no single vacancy rate can serve as an indicator of a healthy market, some experts believe that an overall vacancy rate of four percent indicates a balance between overly tight conditions and those in which excess supply dampens incentives for the production of additional owner or renter units.

In 2000, the census reported a rental unit vacancy rate of 5.0 percent. The rate that the annual rental vacancy rate survey reported for 2000 was 7.7 percent. Census vacancy rates (excluding vacant seasonal units) varied widely across the Commonwealth from a high of 13.5 percent in Petersburg to a low of 1.7 percent in Fairfax County—both metropolitan but very different kinds of localities.

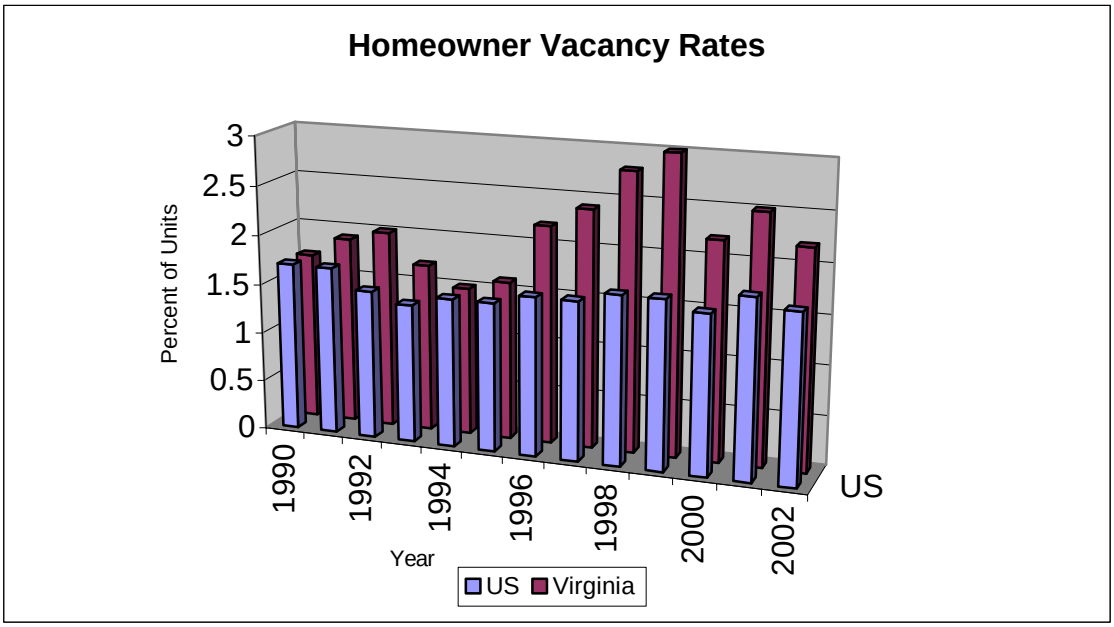
Unlike 1990, there was no strong discernable pattern among rental vacancy rates. Older central cities and some smaller urban places had relatively

high rental vacancy rates, but many of the larger metropolitan localities characterized by rapid population growth had much lower rental vacancy rates than in 1990. Several rural counties had rates above 10 percent as did smaller economically stressed urban centers such as Covington, Bristol, Danville, and Martinsville.



With a few exceptions, Virginia's rental vacancy rates largely mirror the national experience during the past twelve years. There was a marked increase in the vacancy rate for the last two years of the decade, a period of rapid population and economic growth in many portions—particularly in metropolitan areas of the Commonwealth. In addition, homeownership rates moved upward during this same period, potentially contributing to a temporary spike in rental vacancy rates.

As is usually the case, homeowner vacancy rates tended to be much lower than were those for rental units. They ranged from a high 7 percent to a low of .56 percent. The highest owner vacancy rates tended to appear in economically stressed small urban areas. With few exceptions owner vacancy rates in cities—except in Northern Virginia—exceeded the statewide average. Several large urban/suburban counties or cities had rates at or below 1 percent, and most had a rate below the statewide average.



In contrast to the national rate, which has remained within a narrow range since the last census, Virginia's homeowner vacancy rate ramped up sharply toward the end of the decade. This was a period marked by rapid economic growth and increased demand for housing of all types, particularly in expanding metropolitan areas.

Less than two-thirds of the occupied housing units contained three or more bedrooms. Just under one-quarter (24.5) had two bedrooms; the remainder had one or fewer bedrooms. A similar pattern prevailed in all areas of the state. However, owners had access to more of the larger units than did renters. About 85 percent of the occupied units with three or more bedrooms were owner units. Three-fifths of the occupied units with two or fewer bedrooms were in rental properties. The largest proportion of renter units had two or fewer bedrooms; four-fifths of all owner-occupied units had three or more bedrooms.

Data for 2000 is not available on the vacancy rates of owner and renter units according to the number of bedrooms. Previously available (1990) data indicated that for both owner and renter units indicated that the lowest vacancy rates prevailed among the three-bedroom units (2 percent) followed by two-bedroom units (7 percent). At 9 percent, one-bedroom units had the highest vacancy rates. When owner-occupied and rental units were disaggregated, a similar pattern generally prevailed: the larger the unit (in terms of bedrooms) the lower the prevailing vacancy rate. For three bedroom and larger owner-occupied units the rate was 2 percent; two-bedroom units had a 3 percent vacancy rate; zero to one-bedroom units had a 4 percent rate. Among corresponding rental units the rates were 5 percent, 10 percent, and 9 percent respectively. This data

confirmed one aspect of the 1990 CHAS data. Other than cost burdens, the biggest problems for renter households occurred in the large families category.

Substandard Housing

For the purposes of this document, substandard units are defined in two different ways. The first set includes all those units that either lack complete plumbing or were built before 1940. The 2000 census data allows an assessment of the prevalence of these units. The number of pre-1940 units continues to shrink thanks to demolitions occurring since 1990; however, a substantial amount of potentially substandard housing remains in place. In one sense, however, it is becoming an ever-smaller component of the overall housing inventory given the increase in the total number of housing units during the past twelve years. The second includes those units that lack complete plumbing *and* are overcrowded. The currently available 2000 census data does not permit the assessment of this set by income group and tenure.

Substandard Housing Based on Age and Plumbing Characteristics

The state's metropolitan areas contain the majority of the state's occupied housing—62.8 percent of it in 2000—and while they also contain most of the pre-1940 housing this was significantly below the metro area's share of the total housing stock. In other words, non-metro areas held a disproportionate share of the state's oldest housing, while the post-1940 housing reflected the decades long development of Virginia's expanding metropolitan areas. Although Virginia's large metro markets appear to contain the plurality of occupied units lacking complete plumbing, again this housing is concentrated in rural and smaller market areas.

Number and Percent of Total Occupied Substandard Housing Units by Housing Market Area in 2000

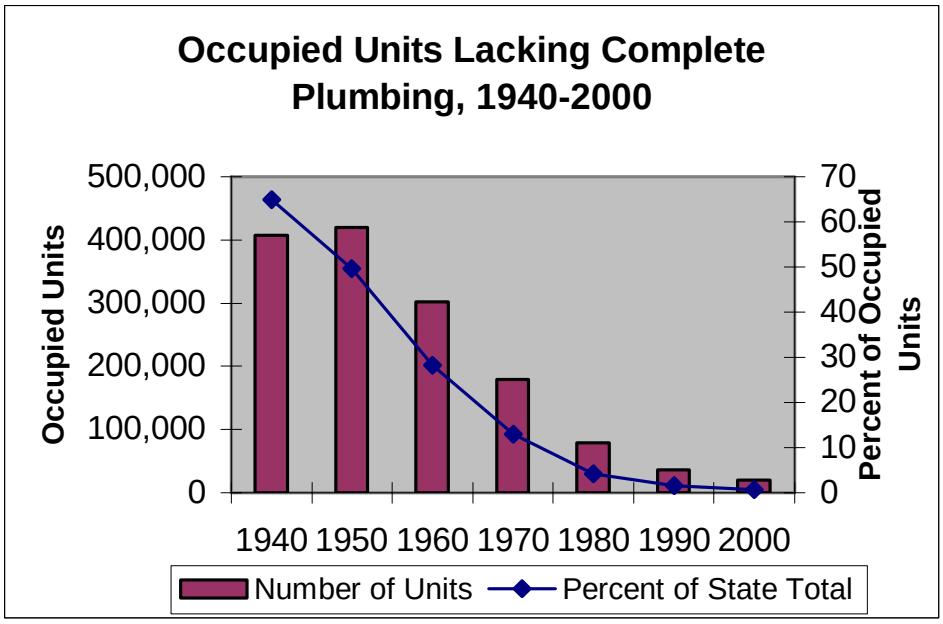
Area	Occupied Units	Units Lacking Complete Plumbing	Pre-1940 Units
Large Metro Markets	1,694,910 62.8%	7,722 39.5%	106,887 46.0%
Small Metro Markets	411,131 15.2%	3,161 16.2%	46,369 20.0%
Non-Metro Urban Markets	202,263 7.5%	1,635 8.4%	23,803 10.2%
Rural Markets	390,869 14.4%	7,032 36.0%	55,264 23.8%
State Total	2,699,173	19,550 100%	232,323 100%

The rural and smaller market character of the plumbing problem as well as the locus of pre-1940 housing may be seen if the 1990 data is viewed form a

different perspective. In 2000 about only .7 percent (19,550 out of 2,699,173 occupied units) lacked complete plumbing and 8.6 percent (232,323) were built before 1940. Only .4 percent of large metro market units lacked plumbing and 6.3 percent were built before 1940. Smaller metropolitan areas and rural Virginia had relatively higher inventories of housing lacking complete plumbing or built before 1939. As the shaded areas in the table below indicate, potential housing quality problems in the small metro, non-metro urban, and rural housing markets are disproportionate in comparison to their share of the state's overall occupied housing.

Housing Quality Indicators within Housing Market Areas in 2000

Housing Quality Indicator	State	Large Metro	Small Metro	Non-Metro Urban	Rural
Occupied Units	2,699,173	1,694,910	411,131	202,263	390,869
Units Lacking Complete Plumbing	19,550 .7%	7,722 .4%	3,161 7.7%	1,635 .8%	7,032 1.8%
Pre-1940 Units	232,323 8.6%	106,887 6.3%	46,369 11.3%	23,803 11.8%	55,264 14.1%



Substandard Housing Based on Plumbing Characteristics and Crowding

The data in this section overlaps information for the previous subsection because it incorporates two separate indicators of deficiencies in housing quality: the lack of complete plumbing facilities and overcrowding.

Substandard Rental Housing: In 1999, a total of 58,498 rental units had one or more of the indicators of substandard condition. Households with incomes below the poverty level occupied more than one-quarter (26.7 percent) of these units; other lower-income renters with incomes occupied the remainder. The lower the income level among households falling below area medians, the more likely that a household occupies substandard housing

Rental Housing: Overcrowding and Inadequate Plumbing

	Total Occupied Renter Units	Overcrowded (>1.01 Persons per Room)	Overcrowded and Lack Complete Plumbing
Large Metro Markets	586,640	48,327	911
Percent of Market Total		8.2%	0.2%
Small Metro Markets	118,343	4,201	54
Percent of Market Total		3.5%	0.0%
Non-Metro Urban markets	65,066	2,380	33
Percent of Market Total		3.7%	0.1%
Rural Markets	91,166	3,590	260
Percent of Market Total		3.9%	0.3%
State total	861,215	58,498	1,258
Percent of State Total		6.8%	0.1%

Housing combining both overcrowding and the absence of complete plumbing is relatively rare. However, overcrowded rental units are notable for constituting a higher percentage of the large metro market inventory or occupied units than is the case in any other type of community. Eighty-two percent of these units are found in the large metro markets, reflecting the more doubling up and other factors in these markets.

Substandard Owner Housing: In comparison to substandard rental units, substandard owner units were distributed somewhat more evenly. A total of 27,958 of these units had one or more of the indicators of substandard condition in 1990.

Owner Housing: Overcrowding and Inadequate Plumbing

Occupied Renter Units	Total Occupied Owner Units	Overcrowded (> 1.01 Persons per Room)	Overcrowded and Lack Complete Plumbing
Large Metro Markets	1,108,270	19,563	264
Percent of Market Total		1.8%	0.0%
Small Metro Markets	292,788	2,714	67
Percent of Market Total		0.9%	0.0%
Non-Metro Urban markets	137,197	1,317	26
Percent of Market Total		1.0%	0.0%
Rural Markets	299,703	4,364	156
Percent of Market Total		1.5%	0.1%
State total	1,837,958	27,958	513
Percent of State Total		1.5%	0.0%

As was true for rental properties, examining the distribution of substandard units among various types of communities provides additional insights on housing quality. Large metro areas contain 70 percent of the substandard owner units. Owners with incomes below the poverty level occupied 12.8 percent of these units statewide. Smaller metropolitan communities accounted for a relatively small portion of the substandard housing stock. In sum, while urban areas and rural Virginia account for four-fifths of the substandard housing owner units, the lowest income households in all areas were more likely to occupy substandard units.

In the census data, there were approximately twice as many substandard rental units than owner units. In relative terms, taking into account the size of the rental and owner markets, the difference is more significant. Substandard rental units and renters were four times more prevalent. Urban areas, where the bulk of the rental housing is located, clearly have the largest problems with substandard rental units. However there is little distinction between urban and rural areas in the numbers of substandard owner units. Clearly, however, for either form of tenure, the problems with substandard housing units are more likely to be associated with the lowest income households. In rural areas, the lowest income owners have proportionately more problems than do renters. In urban and small metropolitan areas, the reverse is true.

Housing Demand

This portion of the market analysis focuses on several aspects of the demand for housing that is both affordable and appropriate to the needs of a variety of lower-income households. Whether this demand can be realized depends on how well the local supply of housing matches the needs of these households. By considering the relationship between units that are available to

and affordable for lower-income owner and renter households, potential gaps in critical housing resources can be determined. In addition to reviewing the 1990 HUD data, more recent trends in statewide housing development and affordability will also be considered.

Availability of Affordable Units

Because higher income households may choose to occupy units that would be affordable to households with lower incomes, the existence of affordable units does not assure that they will always be available. In local housing markets where demand for all housing is particularly high, lower-income households may be particularly disadvantaged in competing for a share of the available housing resources.

Affordability of Rental Units

Although the 2001 analysis of Housing Needs Housing noted that housing became generally more affordable for both renters and owners during much of the 1990s, this general observation masks a number of troubling circumstances affecting many renters and potential homeowners. In spite of the favorable trend, renters—particularly those with incomes below 50 percent of the individual area median income (AMI), persons dependent on SSI, or earning the minimum wage --faced daunting costs.

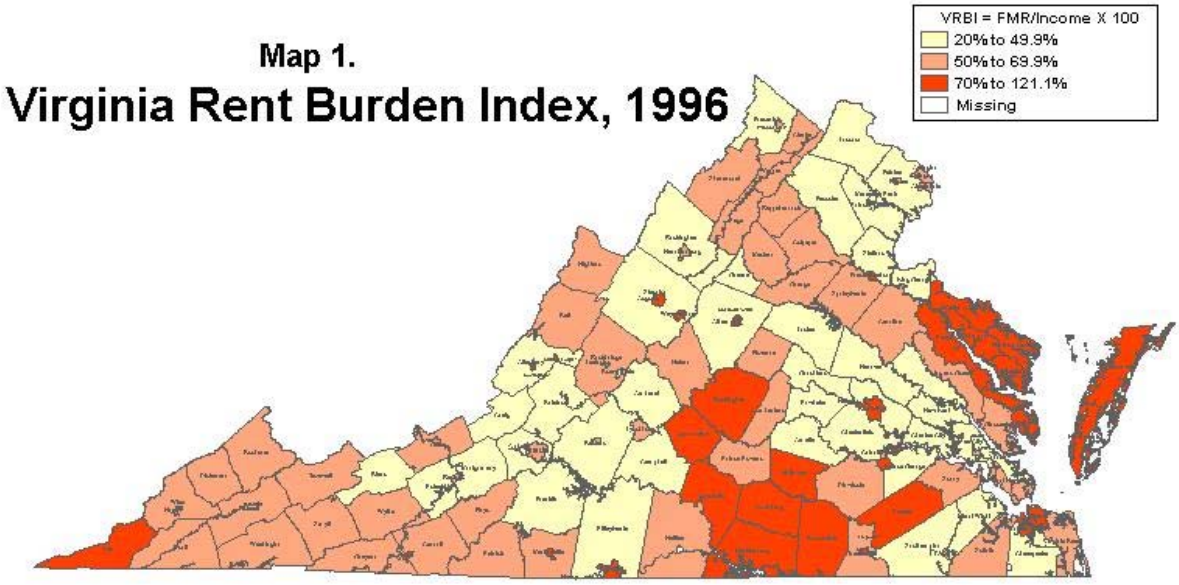
At the national level, when HUD published its report "Rental Housing Assistance—The Worsening Crisis"[3] in early 2000, it pointed to several trends affecting the market for lower income renters. The number of "worst-case" households (e.g., renters with incomes below 50 % of AMFI who do not receive government housing assistance and are severely cost-burdened or live in severely substandard units) appeared to be increasing. Working family households were among the most severely affected. The housing stock available and affordable to these households was declining. Worst-case needs were increasingly concentrated among the households in the lowest income stratum. By far, the dominant problem (77% of all households) for the worst-case households appeared in the form of severe rent burdens. Altogether, severe rent burdens were involved in present in over 94 % of all the households with one or more housing problem.

As the Virginia Center for Housing Research (VCHR) pointed out with it s earlier assessment of 1990 housing needs data,[4] the pattern of housing needs in Virginia is generally similar to the national rates. There is no compelling evidence that this pattern has changed for renter households, though the

[3] HUD, Office of Policy Development and Research, March 2000. The report was based on data collected from the 1997 American Housing Survey.
[4] C. Theodore Koebel and Carl T. Dahlman, "Housing Needs Data for Virginia: A Guide to CHAS Data," April 1995.

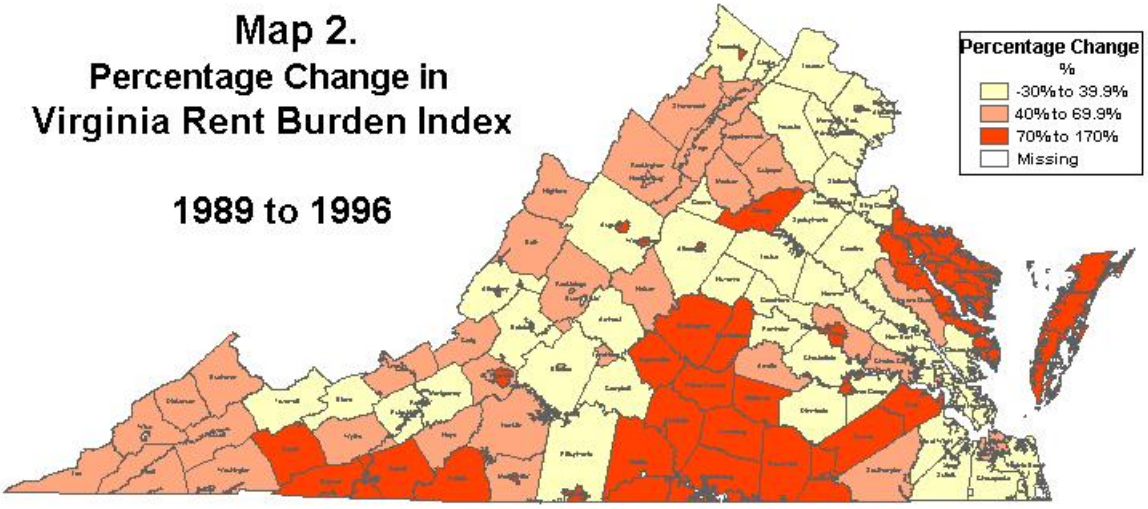
increase in homeownership spurred by an extended period of lowered mortgage interest rates, may have benefited not only new and existing owner households by lowering their costs, but also renter households who may have regained some leverage in a somewhat softer rental market.

A later VCHR report afforded additional support for this view. By establishing a Rent Burden Index for the state for the years from 1989 through 1996, the Center was able to gauge the relationship between housing costs and low-income renter household incomes for the state as a whole and for each county and independent city. One major finding was that rent burdens had appreciably increased for lower income families during the period included in the study. In contrast, they had remained relatively stable for median income families. Rent burdens actually declined or remained stable for lower income households in some largely suburban jurisdictions—reflecting an increase in incomes more than a decrease in housing costs. Rural areas with traditionally low incomes and many cities saw significant increases in rent burdens for lower income households, however. These communities were often the locus for much of the state's lower income population. Thus, their significance to the market for lower-income rental property is increased. The two maps accompanying the Center's report provide graphic evidence of the affordability trend for these homes and an indication of where burdens are the most severe.[5]



[5] C. Theodore Koebel and Lydeana H. Martin, "Losing Ground in Virginia: the Unaffordability of Rental Housing for Low-income Families in the 1990s."

As Map 1 suggests, rent burdens are heaviest in rural parts of the state and in several older, central cities. The overall trend since 1990, shown on Map 2, burdens increased in many of these areas plus some of the smaller central cities during the six-year period covered by the report.



Although the subsequent Analysis of Housing Needs showed rising incomes and overall renter costs flattening out in the years 1997-2001, renters still faced real burdens.

2001 Renter Housing Costs

	1 Person/I Bedroom		3 Person/2 Bedroom		5 Person/3 Bedroom	
Area	**FMR**	**%AMI**	**FMR**	**%AMI**	**FMR**	**%AMI**
Large Metro Markets	$684	56%	$803	51%	$1106	58%
Small Metro Markets	$454	49%	$555	46%	$735	51%
Non-Metro Urban Markets	$394	48%	$475	45%	$646	51%
Rural Markets	$383	53%	$453	47%	$608	52%
State Total	$599	58%	$707	50%	$968	57%

The most recently available report[6] by the National Low Income Housing Coalition (NLIHC) provided additional confirmation of the difficulties facing lower income rental households in the state. Basing its analysis on HUD fair market rents and area median income (AMI) levels for 2002, the organization estimated

[6] *Out of Reach 2002*, National Low Income Housing Coalition.

that at the statewide AMI, a family would have to pay 38 percent of its income for a one-bedroom rental unit, 45 percent for a two-bedroom unit, and 62 percent for a three bedroom unit. Conditions were only slightly better in the combined non-metropolitan areas of the state and considerably worse in some metropolitan areas, such as Norfolk, and individual localities, particularly those with relatively low median family incomes.

While all lower income households face serious challenges in locating affordable rental housing, for some populations affordability has become the most critical housing concern. The homeless, persons with disabilities or seniors dependent on SSI or OASDI, and minimum age workers generally, have extremely high rent burdens (percent of income required to pay fair market rent) in every region of the state. Even under the most favorable circumstances, these exceed the 30 percent of income standard used to define affordability. In some individual markets, they may exceed 160 percent of the renter's income.

Rent Burdens for Lowest Income Populations, 2001

		Minimum Wage Worker		SSI Recipient		OASDI over 65 years	
Area	**Rent**	**Income**	**Rent Burden**	**Income**	**Rent Burden**	**Income**	**Rent Burden**
Large Metro Markets	$684	$10,712	77%	$6,372	129%	$9,662	84%
Small Metro Markets	$454	$10,712	51%	$6,372	85%	$9,662	59%
Non-Metro Urban Markets	$394	$10,712	44%	$6,372	74%	$9,662	52%
Rural Markets	$383	$10,712	43%	$6,372	72%	$9,662	55%
State Total	$599	$10,712	67%	$6,372	113%	$9,662	76%

About 18 percent of the non-institutionalized population has some disability according to the 2000 census. Over twelve percent of the population has severe disabilities. The employment rate for persons with disabilities is lower than the comparable rate for the nondisabled population, contributing to the lower income levels of the former. Only 62.6 percent of the disabled between ages 21-64 were employed in 1999 compared to 82.3 percent of the non-disabled population employment rate. State level poverty data confirms this point. The poverty rate for the non-institutionalized population with a disability stood at 15.2 percent in 2000, nearly twice the level reported for the non-disabled population.

Minimum wage workers, disabled or otherwise, cannot afford fair market rents in all Virginia market areas. In 2002, the National Low Income Housing Coalition recently estimated that the wage required for a worker to be able to

afford a market rate two-bedroom rental unit had reached $14.48, nearly three times the current minimum wage rate.

Affordability of Owner Units

Reports prepared by the Center for Housing Research at Virginia Tech provide more a more recent perspective on owner affordability.[7] Over the past two years, thanks in large part to lowered interest rates, homeownership generally became more affordable to "average" income households. As a whole, Virginia went from being somewhat less affordable than the nation as a whole to slightly more affordable—except in the very high-growth areas radiating outward from Washington, D.C. Falling cost burdens made home ownership a more attractive option than renting, but problems appeared on the horizon for some areas of the state where prices were sharply outpacing growth in income and increasing at multiples of incomes in some substate regions. The 1990 CHAS data indicated that the circumstances of lower-income owners appeared relatively favorable in contrast to those of lower-income—and particularly the lowest-income category--of renter households. While this remains the case, owner affordability appears to be receding in Northern Virginia and some other market areas.

The recent demographic pattern of homeownership also raises some concerns for the future. The Center for Housing Research noted sustained declines, as measured by the census, in the statewide rate of home ownership for persons below age 45, even as ownership rates for various types of households increased during the past decade. As the households and age groups with the highest traditional levels of homebuilding are displaced by future generations, the overall rate of ownership may decline. Given the continuing gap in ownership rates between some minority populations and white Virginias, the overall rate may continue to fall as the state's population becomes more diverse.

There are indications in other recent data that the relative positions of owners and renters remain about the same as in 1990. The Office of Federal Housing Enterprise Oversight, an independent agency within HUD that tracks housing appreciation for single-family units with conventional mortgages purchased or securitized through Fannie Mae or Freddie Mac, prepares annual and quarterly updates on the costs of this sector of the owner market through its House Price Index (HPI). In 2002 and for the period from 1998 through 2002,Virginia ranked thirteenth in one- and five-year price appreciation; for the period from 1980 through December 2002, Virginia ranked sixteenth among the states in the percentage change in house prices—somewhat above the national average in each case. Although the houses included in the survey exclude important sectors of lower cost homeownership (e.g., homes with VA or FHA insured loans), it nonetheless gives a broad indication that Virginia home prices,

[7] C. Theodore Koebel and Kelly M. Atkinson, "Homeownership Affordability in Virginia," January 2003.

while rising, are not doing so in an extraordinary manner.[8] Nonetheless, Virginia's ranking has risen over the past three years, potentially signaling growing affordability problems ahead. Thus, given the average price of a home in many portions of the state, affordability for the first-time homebuyer remains a persistent concern.

The circumstances of lower-income renters and owners are distinct. Lower-income renters are a large component of all renter households. Lower-income owners constitute a smaller proportion of the universe of owner households. Relatively more renter units affordable to households below 80 percent of AMFI are available than is the case for comparable supply for lower-income owner households.

Matching Household Needs to Housing Units

Although the overall supply of affordable and available units appeared adequate for all but the lowest income renters, another dimension of housing demand must be considered. Households of varying size or age have quite different needs in terms of unit size. Data on housing need suggested that aside from cost burden, overcrowding was the most likely housing deficiency encountered by lower-income households—particularly large households.

Unfortunately, the 2000 census did not provide data comparable with the 1990 census that would allow an as refined estimation of the potential availability of units of with one or fewer bedrooms, two bedrooms, and three or more bedrooms with the number of lower income elderly, small-related, and large-related households. Even without vacancy data by unit size, however, the following table establishes a rough picture of the fit between households and appropriate housing units. Because households may occupy units that exceed their minimum need for bedrooms, this approach can only approximate possible gaps in supply versus the demand for appropriately sized units. The assessment assumes that units with 0-1 bedrooms can appropriately accommodate elderly households (1-2 persons). Small related households (2-4 persons) require two or more bedrooms. Large related households (5 + persons) are assumed to need units with three or more bedrooms.

[8] Office of Federal Housing Enterprise Oversight, Fourth Quarter 2002 House Price Index (March 2003)

2002 Renter Households by Type and Income/Housing Units by Unit Size

Percent of Median Income	Elderly	Small Related	Large Related	Occupied 0-1 BDRM	Vacant 0-1 BDRM	Occupied 2 BDRM	Vacant 2 BDRM	Occupied 3+ BDRM	Vacant 3+ BDRM
0-30	48,067	62,018	13,944	49,980	n/a	64,120	n/a	9,860	n/a
31-50	26,641	57,003	14,036	63,600		125,290		32,160	
51-80	20,265	82,406	18,908	76,150		141,500		157,380	
Total	94,973	201,427	46,888	189,730		330,910		199,400	

As indicated by the shaded areas on the table appearing above, the most apparent mismatch between renter households and suitable units appears among the lowest-income renters regardless of the size of the household. In the other income groupings, the potential fit between households and possible housing units is much better. Although the data does not permit an assessment of the income of the households actually occupying these potentially appropriate and affordable units, the higher ratio of units to households suggests that more opportunities may be available.

2002 Owner Households by Income

Percent of Median Income	Elderly	All Other Owners	Owner-Occupied Units with Mortgage Affordable at Income Level
0-30	67,740	43,902	41,998
31-50	68,850	58,161	119,751
51-80	78,167	137,245	338,078
Total	214,757	239,308	499,827

The overall pattern shifts for owner households. As the shaded areas on the preceding table suggest, owners at the two lower levels face a particular shortage of affordable units.

Future Market Trends

When DHCD and VHDA completed the initial housing needs assessment in 2001, several broad trends became evident that will likely help shape Virginia's housing markets in this decade.

First, shifts in the age structure of the state indicate that the net increase in the population aged 25-44 will occur in the younger half of this age bracket—those aged 25-34. Traditionally this population sector has favored renting over homeownership. The population under age 25 will grow at an even faster rate.

Second, because of this population trend, overall demand for rental housing, and especially affordable rental housing may exceed the experience of

the 1990s. All markets, and especially in rapidly growing metropolitan areas, should experience growth in the number of younger households.

Third, the ongoing loss of affordable rental housing resulting from prepayments, opt-outs, property disposition and other causes appears likely to keep rental markets tight for the bulk of the decade.

Fourth, just as the younger adult population will see growth shift to its younger subpopulations, the elderly population will see significant changes. Anticipating the leading edge of the baby boom, the population aged 65-74 will increase by approximately 21 percent in the next decade, while the population aged 75-84 will barely grow, and the 85+ population will grow by about 32 percent (although this is less than its growth in the 1990s).

Fifth, the elderly population is becoming more dispersed into the suburban areas of metropolitan markets. Although much of the existing senior housing stock is concentrated in urban centers, the dispersion of this population may make it more difficult to match housing and households in this population sector.

Sixth, the demand for appropriate housing for persons with disabilities will continue to grow thanks to the movement toward community-based alternatives to institutionalization, greater life expectancies, and the aging of family care-givers. The impact of the Olmstead decision has already begun to influence state agencies responses to persons with disabilities, and the availability of appropriate, affordable and accessible housing options are critical to the state meeting its obligations under that case and other federal laws intended to assure the integration of persons with disabilities in the community.

Seventh, because of the income characteristics of a large sector of the disabled population, meeting their housing needs will likely require deep housing subsidies at a time when this particular subset of the housing stock is shrinking in relative terms.

Assisted Housing Availability

The following table details the approximate inventory of Section 8 and Public Housing units made available through local redevelopment and housing authorities, local housing offices or similar agencies, and the VHDA. The list reflects the changing nature of the Housing Choice Voucher (Section 8) program in Virginia as local agents assumed responsibility for significant numbers of units formerly administered by VHDA. As a recent Joint Legislative Audit and Review Commission observed, despite the significance of this source of housing affordable to lower-income Virginians, over 16,000 families were on local waiting lists to receive Section 8 assistance through the VHDA.[9] Thousands of

[9] Joint Legislative Audit and Review Commission, *Final Report: Review of the Virginia Housing Development Authority* (August 2000), 71.

additional households were on waiting lists maintained by locally administered Section 8 programs. Waits could range from months to many years. In some cases, waiting lists were closed because no additional units were available or likely to become so.

Inventory of Public Housing and Section 8 Units by Housing Authority

Authority	Total Units	Low-Rent Units	Section 8 Units
Abingdon Redevelopment and Housing Authority	149	28	121
Accomack-Northampton Redevelopment and Housing Authority	538	0	538
Alexandria Redevelopment and Housing Authority	2,722	889	1,833
Arlington County Department of Human Services	1,435	0	1,435
Big Stone Gap Redevelopment and Housing Authority	124	0	124
Bristol Redevelopment and Housing Authority	690	436	254
Buckingham HCD, Inc.	72	0	72
Charlottesville Redevelopment and Housing Authority	727	375	352
Chesapeake Redevelopment and Housing Authority	2,160	467	1,693
County of Albemarle Office of Housing	416	0	416
County of Loudoun Housing Services	763	0	763
Covington Redevelopment and Housing Authority	58	0	58
Cumberland Plateau Regional Housing Authority	309	309	0
Danville Redevelopment and Housing Authority	1,303	581	722
Fairfax County Redevelopment and Housing Authority	4,209	1,063	3,146
Franklin Redevelopment and Housing Authority	546	231	315
Hampton Redevelopment and Housing Authority	3,056	578	2,478
Harrisonburg Redevelopment and Housing Authority	510	100	410
Hopewell Redevelopment and Housing Authority	776	501	275
James City County Office of Housing and Community Development	154	0	154
Lee County Housing Authority	625	93	532
Lynchburg Redevelopment and Housing Authority	1,069	327	742
Marion Redevelopment and Housing Authority	351	238	113
Martinsville Redevelopment and Housing Authority	517	0	517
Newport News Redevelopment and Housing Authority	4,405	2,189	2,216
Norfolk Redevelopment and Housing Authority	6,804	4,078	2,726
Norton Redevelopment and Housing Authority	328	218	110
People, Inc.	91	0	91
Petersburg Redevelopment and Housing Authority	1,221	479	742
Piedmont Housing Alliance	75	0	75
Portsmouth Redevelopment and Housing Authority	2,595	1,279	1,316
Prince William County Office of Housing and Community Development	1,883	0	1,883

Authority	Total Units	Low-Rent Units	Section 8 Units
Richmond Redevelopment and Housing Authority	6,967	4,199	2,768
Roanoke Redevelopment and Housing Authority	2,991	1,456	1,535
Roanoke-TAAP	83	0	83
Scott County Redevelopment and Housing Authority	308	111	197
Staunton Redevelopment and Housing Authority	345	150	195
Suffolk Redevelopment and Housing Authority	1,423	466	957
Virginia Housing Development Authority	9,866	0	9,866
Virginia Beach Department of Housing and Neighborhood Preservation	1,686	0	1,686
Waynesboro Redevelopment and Housing Authority	521	190	331
Williamsburg Redevelopment and Housing Authority	104	104	0
Wise County Redevelopment and Housing Authority	954	203	751
Wytheville Redevelopment and Housing Authority	220	220	0
Total Units	52,798	20,841	31,957

Data Source: HUD

Facilities and Services for the Homeless and Persons at Risk of Homelessness

Types of Facilities

This section describes the inventory of facilities and services for homeless Virginians. A brief inventory of the shelters and their areas of specialization follows the discussion in this section. The following definitions apply to this discussion of the inventory:

- Day Shelter: a facility that provides an array of supportive services such as meals, bathing facilities and minor medical assistance to the homeless. They do not provide overnight accommodations.

- Emergency Shelter: any facility for which the primary purpose is to provide short-term shelter for the homeless or for specific sub-populations of the homeless. Each project sponsor (facility) determines restrictions placed upon the length of a stay. Domestic violence shelters or facilities for runaway youth are examples of emergency shelters that target particular homeless sub-populations.

- Single Room Occupancy (SRO): a facility designed to provide permanent housing, in the form of rentals, for single adults in a communal setting. Separate bedroom facilities are provided with shared living and kitchen areas. Supportive services may or be provided.

- Transitional Housing: a facility designed to address the longer-term housing and human services needs of the homeless, in which the typical stay is normally more than thirty days and less than two years.

- Winter Emergency Shelter: a seasonal facility open during inclement months of the year, providing, at a minimum, beds and food to homeless persons. Besides these basic services, additional supportive services may be offered.

Emergency Shelters

There are three types of emergency shelters ion Virginia—emergency shelters for individuals and families, domestic violence shelters, and winter shelters. State-administered homeless programs assisted 108 shelter providers. Sixty-five emergency shelters that provide 2,110 beds receive homeless program support funding through the state. This includes 28 domestic violence shelters with 670 beds and 6 winter shelters with 66 beds. The bulk of these shelters are located in metropolitan communities, with the remainder in smaller urban or rural settings. However, most of the domestic violence shelters were located in smaller urban or rural settings.

The federal and state components of the SHARE program assist emergency shelters meet the needs of homeless Virginians. The SHARE Shelter Support Grant (SSG) state component helps homeless families and individuals through state funding to emergency shelters and transitional housing facilities. These funds provide for rehabilitation, repair, and improvements to bring homeless facilities into compliance with state and local health and building codes. Once these objectives have been achieved, funds may be used to defray operating costs such as salary support, administration, maintenance, rent, utilities, insurance, supplies and furnishings. SSG funds may also be used to provide essential human services addressing employment, substance abuse, education, or health needs without duplicating or displacing existing services.

Similarly, the SHARE Federal Shelter Grant (FSG) program helps the homeless by improving the quality of existing emergency shelters and transitional housing facilities and increasing the availability of services for homeless clients. Grant funds may be expended to meet the costs of operations, maintenance, and administration including limited staff costs.

In both the SSG and FSG programs, grant funds will be allocated based on the number of beds available to serve the homeless. Funding for seasonal facilities (winter shelters) was based on the average daily bed count and prorated for the number of months the shelter was in operation. FSG awards for day shelters were based on 50% of the average daily attendance of persons for whom the provider has documented homelessness.

Many grantees receive both SSG and FSG funding for each bed in their facility. However, grantees in the entitlement cities of Newport News, Norfolk, Portsmouth, Richmond and Virginia Beach, and entitlement counties of Arlington and Fairfax are not eligible for FSG funding. These entitlement jurisdictions receive HUD funds directly, which they then make available to local for providers of emergency shelter and transitional housing.

The SHARE programs currently fund a total of 7,402 beds. Of these, 2,110 were emergency shelter beds and 2,085 were transitional housing beds. Of the total number of beds funded, SSG assisted 4,956 and FSG assisted 2,446. SSG and/or FSG funded the provision of emergency shelter and transitional housing facilities to 15,019 households in fiscal year 2002. There were 23,600 persons in these households.

The total cost of providing shelter and supportive services to homeless individuals and families in FY 2002 was $43,771,454, including SSG, FSG, other financial support from local governments, and TANF funds. The SSG accounted for almost nine percent of the total budget for emergency shelter and transitional housing facilities; FSG accounted for three percent. Local government support to these facilities account for 22.4 percent of their operating budgets. The remainder of the support represents fund-raising activities, cash donations, and

other grants. Volunteer hours and donated goods and services provided additional support not included in the direct cost of providing shelter.

Transitional Housing Facilities

Fifty-one current shelter providers describe their facilities as transitional housing offering longer-term shelter and services to a variety of client groups including families, abused spouses, and youth. Most of these were located in metropolitan communities, although several were in the smaller metro communities. The remaining five were in rural or small city settings.

Permanent Housing for People with Disabilities

Although the need for permanent housing for homeless persons with mental or physical disabilities continues to be a concern, DHCD transferred responsibility for grants to the individual project sponsors to ensure a community-based approach to identifying and addressing local or regional needs. However, as an eligible activity under the Supportive Housing Program, new projects are eligible for full or partial funding of the required 50 percent match for acquisition, new construction and rehabilitation through DHCD's HOME Match for the Supportive Housing Program.

Day Shelters and Other Facilities

Three day shelters providing 66 beds received funds through the state. All are located metropolitan communities and operate in urbanized areas of the state. Consistent information about more transitory forms of facilities such as seasonal soup kitchens or feeding programs that do not receive funding through the state is not available for the state overall.

Other Services

A wide array of services, some funded through McKinney Act programs administered by other state agencies and still others blending state and federal funds remain in place in Virginia. These are generally not targeted geographically. Approximately half of all services provided to the homeless are delivered *within* the homeless shelter facilities.

The services provided on site to the sheltered homeless included: *needs assessments, case management, information and referral, substance abuse counseling, individual/family counseling, vocational training, job placement, employment counseling, adult education, life skills training, budgeting/financial training, parenting workshops/classes, transportation, legal assistance, children's programs, child day care, support groups, food, clothing, housing counseling, health care, mental health care/counseling* and *mentoring*. All project sponsors

provided some or all of these services to their clients either directly or through referrals.

The Child Services Coordinator Grant (CSCG) program, currently being administered by DHCD, establishes a staff position and contributes salary support for the provision of case management and direct services to children at homeless and domestic violence shelters in Virginia. The CSCG program addresses the needs of homeless children by:

- Insuring that professional child service resources are available to Virginia's emergency shelters serving homeless families with children through linkages with the community.
- Improving service delivery to homeless children through increased information sharing, collaborative planning, and analysis and referral to existing resources.
- Emphasizing parental choice and participation in the coordination of services for children.

The Virginia Department of Social Services has set aside $450,000 in Child Care and Development Block Grant Funds for providing child day care services to homeless children, aged 0-12. This enabled some shelters/transitional housing facilities throughout Virginia to provide subsidized childcare to approximately 363 homeless children in FY 99.

Inventory of Homeless Facilities

Project Sponsor	Location	Beds by type of Shelter				
		Emergency Shelter	Transitional Housing	Winter Shelter	Day Shelter	Emergency Shelter for Domestic Violence
Action in Community Through Service of Prince William, Inc.	Dumfries	15	24			15
Agape House	Manassas		14			
Alexandria Office on Women	Alexandria					14
Alive, Inc.	Alexandria	14				
The Arlington Community Temporary Shelter, Inc.	Arlington	16	24			11
Arlington County	Arlington			40		
Arlington-Alexandria Coalition for the Homeless, Inc.	Arlington	50	240			
Avalon: A Center for Women and Children	Williamsburg		30			16
Bedford Department of Social Services	Bedford					8
Cares, Inc.	Petersburg	20				
CARITAS	Richmond	28		153		
Carpenter's Shelter	Alexandria	80	16	50		
Catholic Charities, Christ House	Alexandria	18				
Christian Relief Services	Fairfax City, Fairfax County,		132			

Project Sponsor	Location	Beds by type of Shelter				
		Emergency Shelter	Transitional Housing	Winter Shelter	Day Shelter	Emergency Shelter for Domestic Violence
	Chantilly, Alexandria, Reston and Centerville					
Citizens Against Family Violence, Inc.	Martinsville		31			
City of Alexandria DHS/OCS	Alexandria	65				
Clinch Valley Community Action	Tazewell		4			8
Community Lodgings	Alexandria		46			
Community Resource Network of Chesapeake, Inc.	Chesapeake	10				
Council on Domestic Violence for Page County	Luray	18				
Crossroads Shelter, Inc.	Wytheville	24				
Culpeper Community Development Corporation	Culpeper	10	10			
DOVES, Inc.	Danville					16
Eastern Shore Coalition Against Domestic Violence	Onancock					16
Ecumenical Family Shelter, Inc. A.K.A. The Dwelling Place	Norfolk	61				
ESI Connections	Richmond	54	106			
F.O.R. kids, Inc.	Norfolk	38	36			
Fairfax County Department of Family Services	Reston, Falls Church, Bailey's Crossroads, Ft. Belvoir, and Fairfax County	242		30		
Family Crisis Support Services, Inc.	Norton	28				17
Family Resource Center	Wytheville					20
Fauquier Family Shelter Services, Inc.	Warrenton	26	66			
First Step: A Response to Domestic Violence, Inc.	Harrisonburg	16				
Franklin County Family Resource Center	Rocky Mount	34				
Freedom House	Richmond		50			
Friends of Guest House, Inc.	Alexandria		9			
Friends of the Homeless	Newport News	50				
Genvieve Shelter	Suffolk					17
Greater Orange Community Development Corporation, Inc.	Orange	47	18			
Hampton Ecumenical Lodgings and Provisions, Inc.	Hampton	25	22	60	6	
Hampton-Newport News Community Services Board	Newport News	8				
Hanover Domestic Violence Task Force	Hanover County					6
The Haven Shelter and Services, Inc.	Warsaw					16
Help and Emergency Response	Portsmouth	42				
Hilliard House	Henrico County		30			
Homestretch, Inc.	Falls Church, Vienna, Fairfax County, Annandale, and Springfield		185			

Project Sponsor	Location	Beds by type of Shelter				
		Emergency Shelter	Transitional Housing	Winter Shelter	Day Shelter	Emergency Shelter for Domestic Violence
Hope House of Scott County, Inc.	Gate City	22				
Hostel of the Good Shepherd	Galax	20				
Judeo-Christian Outreach Center	Virginia Beach	50				
Laurel Shelter, Inc.	Gloucester					19
LINK (Living Interfaith Network), Inc.	Newport News	28				
Loudoun Abused Women's Shelter	Leesburg					15
Loudoun County Office of Housing Services	Loudoun County	24				
Lynchburg Community Action Group, Inc.	Lynchburg	28	28			
Lynchburg Daily Bread	Lynchburg				30	
Mercy House, Inc.	Harrisonburg		54			
Miriam's House, Inc.	Lynchburg		31			
Monticello Area Community Action Agency	Charlottesville		15			
Mother Seton House	Virginia Beach		22			
New Directions Center, Inc.	Staunton					16
New Hope Housing, Inc.	Fairfax County		16			
New River Family Shelter	Blacksburg and Christiansburg	26				
Northern Virginia Family Service	Falls Church		36			
On Our Own, Charlottesville, VA, Inc.	Charlottesville		3		30	
People Incorporated of Southwest Virginia	Abingdon, Bristol and Grundy		60			32
Portsmouth Area Resources Coalition	Portsmouth	30	32			
Prince William County Department of Social Services	Prince William County			32		
Prince William County Office of Housing and Community Development	Woodbridge		35			
Project Horizon, Inc.	Lexington	16				
Rappahannock Council on Domestic Violence	Fredericksburg					23
Rappahannock Refuge, Inc./Hope House	Fredericksburg		26			
Region Ten Community Services Board	Charlottesville		20			
Response, Inc.	Woodstock					28
Safehome Systems, Inc.	Covington	28				
Salvation Army of Alexandria	Alexandria		18			
Salvation Army of Charlottesville	Charlottesville	58	43			
Salvation Army of Harrisonburg	Harrisonburg	72				
Salvation Army of Lynchburg	Lynchburg	15	7			
Salvation Army of Norfolk	Norfolk	18	39			
Salvation Army of Petersburg	Petersburg	32				
Salvation Army of Richmond	Richmond	55				
Salvation Army of Roanoke	Roanoke	65				65
Salvation Army of Williamsburg	Williamsburg		25			
Salvation Army of Winchester	Winchester	24	24			
Salvation Army Peninsula Command	Newport News	55				
Samaritan House, Inc.	Virginia Beach		40			72
Serve, Inc.	Manassas	56	20			
Services to Abused Families, Inc.	Culpeper		12			15
Shelter for Abused Women	Winchester	17				

Project Sponsor	Location	Beds by type of Shelter				
		Emergency Shelter	Transitional Housing	Winter Shelter	Day Shelter	Emergency Shelter for Domestic Violence
Shelter for Help in Emergency	Charlottesville					20
Shenandoah Alliance for Shelter	Woodstock		22			
Southside Center for Violence Prevention	Farmville					33
St. Joseph's Villa	Henrico County		85			
Suffolk Shelter for the Homeless	Suffolk	36				
Thurman Brisben Homeless Shelter, Inc.	Fredericksburg	80				
Total Action Against Poverty	Roanoke		65			
Transitional Housing Barn, Inc	Alexandria		36			
Transitions Family Violence Services	Hampton	29	39			41
Trust - Roanoke Valley Trouble Center	Roanoke	34				
Volunteers of America Chesapeake, Arlington	Arlington	54				
Volunteers of America Chesapeake, Hilda Barg Homeless Prevention Center	Woodbridge	30				
Volunteers of America Chesapeake, Loudoun Transitional Program	Loudoun County		60			
Volunteers of America Chesapeake, Virginia Beach	Virginia Beach					
Warren County Council on Domestic Violence	Front Royal					41
Women's Resource Center of the New River Valley	Radford	26	28			
YWCA of Central Virginia	Lynchburg		18			32
YWCA of Richmond	Richmond					38
YWCA of South Hampton Roads	Norfolk	43				
YWCA of the Roanoke Valley	Roanoke		33			
	Total	2,110	2,085	365	66	670

Homelessness Prevention

Virginia has made a significant investment in program activities intended to prevent persons from becoming homeless rather than ameliorate homelessness after the fact. The purpose of the SHARE Homeless Intervention Program (HIP) is to prevent the displacement of low- and moderate-income households that are potentially homeless, to assist homeless persons secure permanent housing, and to ensure that persons receiving assistance become self-sufficient. It does this by providing loans and grants for temporary rental, mortgage, and security deposit assistance. HIP incorporates a strong housing counseling component facilitating the long-term goal of financial independence for the program recipients. Twenty-eight different organizations operate HIP programs covering 130 of Virginia's 134 independent cities and counties.

B. Special Needs Facilities and Services

Facilities and Services for Non Homeless Supportive Housing

Both the Disability Commission and the ongoing activities of the Olmstead Task Force have called more attention to housing issues for persons with disabilities. The Interim Report of the Olmstead Task Force summarized the following issues as serving as barriers to Virginia being able to create a housing environment offering persons with disabilities the same range of housing choices that are available to other Virginians:

- *Housing units lacking accessibility features for persons with mobility or sensory limitations;*
- *Housing costs significantly exceeding the resources of lower-income individuals;*
- *Limited availability even where units that are affordable, accessible or both actually exist; and*
- *Limited coordination with necessary supportive services—including cases where housing is contingent on and rigidly linked to supportive services or, conversely, where necessary services are unavailable or relatively inaccessible.*

This section of the Plan addresses some of the major state-administered services or facilities attempting to address these barriers needs of non-homeless special needs populations. The organization of Virginia's state government provides several individual agencies that address one or more specialized area of need. These are described below along with their possible role in addressing housing or supportive services related to housing for the particular special population.

The mission of the *Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services* (DMHMRSAS) is to improve the quality of life and self-sufficiency for people with serious mental illnesses, serious emotional disturbances, mental retardation, developmental delays, alcohol and other drug dependence or abuse problems and to preventing the harmful consequences of metal disabilities and addictions. This is accomplished by providing a coordinated system of care that respects and promotes the dignity, rights, and full participation of individuals and their families. Accomplishing the Department's vision requires, among other things the downsizing of state facilities as part of the development of a continuum of care of community services. This means there is an inevitable link between successful facility reconfiguration and the provision of resources for community services.

The state's 40 *Community Service Board*s (CSBs) and related local entities provide community mental health, mental retardation, and substance abuse services. They function as:

- A single point of entry into the range of publicly-funded MH/MR/SA services
- Service providers, either directly or through contracts with other providers

- Advocates for consumers and individuals in need of services
- Community educators, organizers and planners,
- Advisors to local governments, and
- The focus of programmatic and financial accountability.

The federal government has designated the *Virginia Department for the Aging* (VDA) the state agency on aging in accordance with the requirements of the Older Americans Act. It is responsible for planning, coordinating, funding, and evaluating programs for older Virginians that are funded by the Older Americans Act and the General Assembly. VDA works cooperatively with a network of 25 local Area Agencies on Aging (AAA) designated by VDA, with the sanction of local governments, to plan, coordinate, and administer aging services at the community level. Each AAA serves a specific "planning and service area." With exception of Northern Virginia, most correspond with the boundaries of a planning district. Federal, state, private, and locally appropriated funds support the operations of the AAAs. The Department also operates the “Center for Elder Rights,” which provides a central point of contact for older Virginians to access information and services.

VDA’s objective is to help Virginians find the information and services they need to lead healthy and independent lives as they grow older. The agency’s mission is to foster the dignity, independence, and security of older Virginians by promoting partnerships with families and communities.”

The mission of the *Department of Rehabilitative Services* (DRS) is to work in partnership with people with disabilities and their families and collaborate with the public and private sectors to provide and advocate for the highest quality services that empower individuals with disabilities to maximize their employment, independence and full inclusion into society. DRS provides comprehensive vocational rehabilitative services so that individuals are appropriately prepared, trained, and placed in gainful employment. DRS also provides other services and works with businesses, organizations, and communities to better integrate persons with disabilities into society's mainstream.

DRS supports the operations of 18 Centers for Independent Living (CILs), nonprofit organizations that provide vocational services, medical assistance, counseling and guidance, and job training in many areas of the state. The CILs are non-residential places of action and coalition, where persons with disabilities learn empowerment and develop the skills necessary to make lifestyle choices. Centers provide services and advocacy to promote the leadership, independence, and productivity of people with disabilities. Centers work with both individuals as well as with the local communities to remove barriers to independence and ensuring equality of persons with disabilities.

The CILs receive funding from DRS as well as other federal, local, or private sources. Some of the funding is granted to the CILs under the State Plan

for Independent Living, which is a document jointly developed by the Statewide Independent Living Council, the Department of Rehabilitative Services, and the Department of the Blind and Vision Impaired. Recently, the state has used some of its general fund appropriations to expand the coverage offered Centers for Independent Living. This helped to establish six new consumer based Centers were established during this time period, so that there are now centers located in Norfolk, Hampton, the Eastern Shore, Richmond, Fredericksburg, Arlington, Manassas, Charlottesville, Winchester, Danville, Roanoke, Lynchburg, Abingdon, Grundy, Harrisonburg and Big Stone Gap. CILs are not currently present in several portions of the state, including the southern and northern piedmont,

Centers provide services to individuals with significant disabilities as well as to the broader community. These include Information and Referral, Peer Counseling, Independent Living Skills Training, and Individual and Systems Change Advocacy. Services to the community include disability awareness, technical assistance regarding accessibility and legal issues, as well as general disability related information. In FY 2001, the Centers provided comprehensive services to over 5500 consumers and provided local communities with over 20,000 hours of Systems Advocacy and Community Education.

The *Department for the Blind and Vision Impaired* (DBVI) combines state and federal funding provides a variety of services to Virginians with visual disabilities of all ages that stress the achievement and retention of personal independence. These include programs intended to increase the independent living capacity of those with visual impairments. This includes providing Independent living assessments and training to assist consumers in achieving their goals for acquiring skills of daily living, home management, orientation and mobility, Braille and other communication skills, and training in the use of adaptive technologies. The *Virginia Department for the Deaf and Hard of Hearing* (VDDHH) also attempts to increase the overall independence of its target population, focusing on reducing and eliminating communication barriers between those who are deaf or hard of hearing and the hearing.

The Virginia Board for People with Disabilities (VBPD) Board is the independent body consisting of 40 persons, the majority of whom are individuals with disabilities and parents of individuals with disabilities, appointed by the Governor. It serves as the Developmental Disabilities Planning Council for addressing the needs of people with developmental disabilities under the federal "Developmental Disabilities Assistance and Bill of Rights Act" and the state "Virginians with Disabilities Act."

The Board provides opportunities for people with disabilities and family members to participate in planning and evaluating the delivery of disability services. In its most recent update of the Developmental Disabilities State Plan, the Board called for activities intended to expand housing options for persons with disabilities. These included a study of home ownership opportunities to

these persons as well as looking to develop long-term strategies to increase housing options for people with disabilities.

The *Virginia Office for Protection and Advocacy* (VOPA) is the newly established independent state agency that succeeded the former Department for the Rights of Virginians with Disabilities. VOPA's statutory charge is to protect and advocate for the rights of persons with mental, cognitive, sensory, physical or other disabilities and to receive federal funds on behalf of the Commonwealth of Virginia to implement the federal Protection and Advocacy for Individuals with Mental Illness Act, the federal Developmental Disabilities Assistance and Bill of Rights Act, the federal Rehabilitation Act, the Virginians with Disabilities Act and other related state and federal programs.

Among its concerns, VOPA has adopted priorities and goals that are relevant to the provision of housing to persons with disabilities. These include representing the interests of (1) persons in DMHMRSAS training centers deemed ready for discharge by their treatment team and who otherwise meet the criteria of the U.S. Supreme Court decision in *Olmstead*; and (2) persons residing in the community to receive appropriate services and supports in the most integrated setting. It also considers how best to provide advocacy and legal representation to individuals inappropriately placed in ICFMRs, nursing homes, or other non-state operated facilities. Specifically, the agency intends to:

- Provide advocacy and/or legal representation services to individuals with developmental disabilities deemed ready for discharge from a DMHMRSAS training center by their treatment team, and who otherwise meet the criteria established by the U.S. Supreme Court decision in *Olmstead*, in support of discharge to the community with appropriate services and supports;

- Provide advocacy and/or legal representation services to individuals with developmental disabilities residing in the community, who are at risk of institutionalization, in support of access to appropriate services in the most integrated setting; and

- Determine, through research and analysis, how to best provide advocacy and legal representation to persons with inappropriate placements.

Since 1990, the *Disability Commission,* a legislative commission chaired by the Lieutenant Governor and staffed by the Virginia Board for People with Disabilities, has addressed the unmet service needs of individuals with physical and sensory disabilities. The Commission provides a vehicle for advancing budget proposals and addressing policy issues arising in response to a ten-year plan for the development of services. The Disability Commission has assigned its highest priority to housing issues and is working with DHCD, VHDA, and other

parties to develop recommendations for future legislative action addressing the housing needs of persons with disabilities.

Forty-one local *Disability Service Boards* (DSBs), covering every locality in the state, provide a partnership of consumer, local government, and business volunteers working to increase access and develop consumer-oriented, community-based services for persons with physical and sensory disabilities. Their responsibilities include,

- Developing and making available for public comment a triennial assessment of local needs and priorities of people with physical and sensory disabilities;
- Providing information and resource referral to local governments regarding the Americans with Disabilities Act;
- Administering the Rehabilitative Services Incentive Fund and serving as a catalyst for the development of public and private funding sources;
- Exchanging information with other local boards regarding services to persons with physical and sensory disability and best practices in the delivery of services; and
- Providing other requested assistance and advice to local governments.

Housing Resources for Elderly Virginians

As this section of the Plan noted has noted, significant shifts in the age structure of the senior population are beginning to occur. At the same time, the overall population aged 65+ will foreshadow the rapid growth expected in the subsequent decade.

Most of the specialized housing opportunities for older Virginians are associated with the 202 or 236/221(d)3 programs. As the following inventory shows, most of this stock was located in or near metropolitan areas of the state. More information on the availability of this housing source is available from the Department for the Aging and the Area Agencies on Aging. The VDA and its associated AAAs are major sources of housing-related services for older Virginians. Their programs emphasize the promotion and preservation of independence permitting older Virginians to remain in appropriate settings for as long as possible.

The following tables detail existing and projected housing resources for older Virginians. Note that of the existing units 72 percent have rent/operating subsidies enabling them to serve households with income below 30% of area median. In contrast, just 23% of the units under development have rent/operating subsidies.

Senior Assisted Housing Resources

Existing Projects

Locality	Development Name	Total Senior Units	Effic./ 1 Bdrm Units	2 Bdrm Units	Mortgage Loan Programs	Capital Subsidy Programs	Low Income Housing Tax Credits	Rent / Operating Subsidies	
								Program	Units
Lee Co.	Chappel Garden	48	48	0		Public Housing		Public Housing	48
Lee Co.	Jonesville Manor	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40
Lee Co.	Lee Terrace	40	39	1	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40
Scott Co.	Clinch View Manor	41	41	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	41
Scott Co.	Gateway Terrace	26	22	4		Public Housing		Public Housing	26
Scott Co.	Stallard & Hagan	25	24	1		Public Housing		Public Housing	25
Wise Co.	Appalachia Hotel	36	36	0		Public Housing		Public Housing	36
Wise Co.	Gilliam Court Apts	72	71	1	Sec 515	Sec 515 Int Credits		RHS RA	72
Wise Co.	Stonebriar (congregate)	24	23	1	VHPF		9% LIHTC		
Wise Co.	Woodstone Village II	18			Sec 515	Sec 515 Int Credits		RHS RA	18
Norton	Norton Green Apts	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40
Norton	Regency Towers	90	86	4		Public Housing		Public Housing	90
Norton	Shawnee Ridge	20	20	0	Sec 515	Sec 515 Int Credits	9% LIHTC		
Dickenson Co.	Centennial Heights (elderly portion)	34	34	0		Public Housing		Public Housing	34
Russell Co.	Copper Creek Apts	36	36	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	36
Russell Co.	Fox Meadows (elderly portion)	40	40	0		Public Housing		Public Housing	40
Russell Co.	Pittston Place	10			VHPF				
Russell Co.	Riverview Terrace	20	20	0		Public Housing		Public Housing	20
Russell Co.	Town Square	20	20	0		Public Housing		Public Housing	20
Tazewell Co.	Aspen Square Apts	60	60	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	60
Tazewell Co.	Fairfax Court	34	34	0		Public Housing		Public Housing	34
Tazewell Co.	Graham Manor	30	30	0		Public Housing		Public Housing	30
Tazewell Co.	Hillside Apts.	36	36	0	VHPF		9% LIHTC		
Tazewell Co.	Indian Princess Apts	34	34	0		Public Housing		Public Housing	34
Wythe Co.	Hedgefield Terrace	110	110	0		Public Housing		Public Housing	110
Wythe Co.	Longview Village	44	44	0	Sec 515	Sec 515 Int Credits		RHS RA	44
Wythe Co.	Southridge (elderly portion)	12	12	0			9% LIHTC		
Carroll Co.	Briarleigh Court	40	39	1	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40

Locality	Development Name	Total Senior Units	Effic./ 1 Bdrm Units	2 Bdrm Units	Mortgage Loan Programs	Capital Subsidy Programs	Low Income Housing Tax Credits	Rent / Operating Subsidies	
								Program	Units
Grayson Co.	Grayson Manor	32	32	0	Sec 515/VHF	Sec 515 Int Credits	9% LIHTC	RHS RA	32
Grayson Co.	Riverview Elderly	32	32	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	32
Smyth Co.	Senior Apts	115	115	0		Public Housing		Public Housing	115
Washington Co.	Abingdon Green Apts	32	32	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	32
Washington Co.	Abingdon Terrace	32	32	0	Sec 515	Sec 515 Int Credits		RHS RA	32
Washington Co.	Washington Court	39	39	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	39
Washington Co.	Woods Landing	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40
Bristol	Jones Manor	50	50	0		Public Housing		Public Housing	50
Bristol	Leisure Park Tower	150	141	9	TE Bonds/Sec 223f/GNMA			Sec 8 NC/SR	150
Bristol	Mosby Homes (elderly portion)	25	25	0		Public Housing		Public Housing	25
Bristol	Stanhall	50	50	0		Public Housing		Public Housing	50
Galax	Harmony House	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40
Giles Co.	Old Orchard Pl (aka Giles Comm. Apts.)	30	30	0		Sec 202 Cap. Grant		PRAC	30
Giles Co.	Robinson and Walters Apts.	27	27	0	VHPF/VHDA GF	VHPF/CDBG Grants			
Pulaski Co.	Atrium Apts.	43	43	0	VHF	VHPF/AHP Grants	9% LIHTC	Sec 8 Mod Rhb	43
Pulaski Co.	Pulaski Village	44	44	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	44
Montgomery Co.	New River House	42	40	2	Sec 202			Sec 202/8	42
Montgomery Co.	Trolinger House	102	96	6	Sec 202			Sec 202/8	102
Floyd Co.	Pine Ridge	36	36	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	36
Radford	New River Overlook	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40
Craig Co.	New Castle Manor	34	34	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	34
Roanoke Co.	Clearview Manor	100	96	4	TE Bonds			Sec 8 NC/SR	100
Roanoke Co.	Edinburgh Greens	40	40	0	Sec 202			Sec 202/8	40
Roanoke Co.	Edinburgh Square	97	96	1	Sec 202			Sec 202/8	96
Roanoke	Christian Village of Western VA	45	45	0		Sec 202 Cap. Grant		PRAC	45
Roanoke	Fairington of Roanoke	100	100	0	Sec 221d4			Sec 8 NC/SR	100
Roanoke	Harrison School	28	28	0	TE Bonds			Sec 8 NC/SR	28
Roanoke	McCray Court	68	32	36	VHF/VHPF	AHP Grant	9% LIHTC		
Roanoke	Melrose Towers	212	196	16		Public Housing		Public Housing	212
Roanoke	Morningside Manor	105	105	0		Public Housing		Public Housing	105

Locality	Development Name	Total Senior Units	Effic./ 1 Bdrm Units	2 Bdrm Units	Mortgage Loan Programs	Capital Subsidy Programs	Low Income Housing Tax Credits	Rent / Operating Subsidies	
								Program	Units
Roanoke	Shenandoah Homes	204	204	0	Sec 236/VHPF	Sec 236 Int Credit		Sec 8 LMSA	57
Roanoke	Stratford Village	71	65	6	Sec 221d4			Sec 8 NC/SR	71
Salem	Ridgecrest (aka McVitty House)	106	100	6	Sec 202			Sec 202/8	106
Clifton Forge	Briarcliffe	45	45	0	Sec 221d3/TE Bonds			Sec 8 NC/SR	45
Clifton Forge	Clifton Woods Apts	66	66	0	Sec 515			Sec 8	66
Clifton Forge	Ridgeview at Scott Hill	95	89	6	Sec 202			Sec 202/8	94
Rockbridge Co.	Skyline Manor	32	32	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	32
Augusta Co.	Plaza Apts	110	110	0	Sec 515			Sec 8	110
Rockingham Co.	Cambridge Court	39	39	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	39
Rockingham Co.	Springbrook Place	38			VHF		9% LIHTC		
Rockingham Co.	Timber Hills	48	44	4		Sec 515 Int Credits		RHS RA	48
Lexington	Lexington House	78	78	0	TE Bonds			Sec 8 NC/SR	78
Lexington	Windemere	38	37	1	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	38
Buena Vista	Vista Apts	66			Sec 515	Sec 515 Int Credits		RHS RA	66
Staunton	Beverly Apts.	36	36	0				Sec 8 Mod Rhb	36
Staunton	Elizabeth Miller Gardens	50	50	0		Public Housing		Public Housing	50
Staunton	Gypsy Hill House	100	98	2	TE Bonds			Sec 8 NC/SR	100
Staunton	Oakmont Apts	24	24	0	Sec 515	Sec 515 Int Credits		RHS RA	24
Waynesboro	Fairfax Hall	54	53	1	VHF/Taxable Bonds		9% LIHTC		
Waynesboro	Senior Apts	77	77	0		Public Housing		Public Housing	77
Harrisonburg	Heritage Haven	150	147	3	Sec 202			Sec 202/8	150
Harrisonburg	J. R. Polly Lineweaver	62	62	0	Local TE Bonds			Sec 8 NC/SR	62
Harrisonburg	Lineweaver Annex	60			VHPF		9% LIHTC		
Shenandoah Co.	John S Perry House	62	50	12	Sec 221d4/Local TE Bonds			Sec 8 NC/SR	62
Shenandoah Co	Luther Crest	39	39	0	Sec 202			Sec 202/8	39
Shenandoah Co.	Massanutten Manor	113	98	15	TE Bonds			Sec 8 NC/SR	113
Shenandoah Co.	Shenandoah Commons	38	38	0	VHF		9% LIHTC		
Page Co.	Autumn Ridge	34	34	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	34
Page Co.	Luray Village	34	28	6	Sec 515/VHF	Sec 515 Int Credits	9% LIHTC	RHS RA	34
Page Co.	Massanutten	36	36	0	Sec 515	Sec 515 Int	9% LIHTC	RHS RA	28

Locality	Development Name	Total Senior Units	Effic./ 1 Bdrm Units	2 Bdrm Units	Mortgage Loan Programs	Capital Subsidy Programs	Low Income Housing Tax Credits	Rent / Operating Subsidies	
								Program	Units
	Valley					Credits			
Frederick Co.	Frederick House	48	47	1	Sec 202			Sec 202/8	47
Clarke Co.	Johnson Williams Community	40	38	2	VHPF	VHPF Grant	9% LIHTC		
Clarke Co.	Mary Hardesty House	60	0	60	VHF/Taxable Bonds		9% LIHTC		
Clarke Co.	Washington Square II	6			Sec 515	Sec 515 Int Credits		RHS RA	6
Winchester	Shenandoah Apts	50	48	2	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	50
Winchester	Winchester House	80	80	0	TE Bonds			Sec 8 NC/SR	80
Loudoun Co.	Madison House	100	94	6	TE Bonds			Sec 8 NC/SR	100
Loudoun Co.	Mirror Ridge @ Community Village	150	123	27	VHF/Taxable Bonds		9% LIHTC		
Loudoun Co.	William Watters House	91	90	1	Sec 202			Sec 202/8	90
Loudoun Co.	Wingler House	132	92	40	AMT Bonds		4% LIHTC		
Prince William Co.	Crestwood Marywood I	128	128	0	Sec 202			Sec 202/8	128
Prince William Co.	Lakeridge Fellowship House	100	99	1	Sec 202			Sec 202/8	99
Prince William Co.	Potomac Woods I	84	36	48			9% LIHTC		
Prince William Co.	River Run at Pr. Wm. Commons I	200	148	52	Blended Bonds		4% LIHTC		
Prince William Co.	River Run at Pr. Wm. Commons II	100	50	50	Blended Bonds		4% LIHTC		
Prince William Co.	Victoria Park (aka Powells Creek)	110	79	31			9% LIHTC		
Fairfax Co.	Audubon Apts	46	46	0		Public Housing		Public Housing	46
Fairfax Co.	Burke Lake Gardens	100	99	1	Sec 202			Sec 202/8	99
Fairfax Co.	Evergreen House	244	242	2	TE Bonds			Sec 8 NC/SR	244
Fairfax Co.	Forest Glen at Sully Station I	119	101	18	Taxable Bonds		9% LIHTC		
Fairfax Co.	Forest Glen at Sully Station II	119	101	18	AMT Bonds		4% LIHTC		
Fairfax Co.	Herndon Harbor House I	60	60	0	AMT Bonds/VHPF		4% LIHTC		
Fairfax Co.	Herndon Harbor House II	60	60	0	AMT Bonds		4% LIHTC		
Fairfax Co.	Hunters Woods Fellowship House	222	222	0	TE Bonds/Sec 223f/GNMA			Sec 8 NC/SR	222
Fairfax Co.	Kendrick Ct. (aka McNair Farm)	139	66	73	AMT Bonds		4% LIHTC		
Fairfax Co.	Lake Anne Fellowship House I	140	138	2	Sec 202			Sec 202/8	27
Fairfax Co.	Lake Anne Fellowship House II	100	99	1	Sec 236/TE Bonds	Sec 236 Int Credit			

Locality	Development Name	Total Senior Units	Effic./ 1 Bdrm Units	2 Bdrm Units	Mortgage Loan Programs	Capital Subsidy Programs	Low Income Housing Tax Credits	Rent / Operating Subsidies	
								Program	Units
Fairfax Co.	Lewinsville Retirement Home	144	139	5	Sec 202			Sec 202/8	144
Fairfax Co.	Manchester Lakes I	136	83	53	Blended Bonds		4% LIHTC		
Fairfax Co.	Manchester Lakes II	115	20	96	Taxable Bonds		9% LIHTC		
Fairfax Co.	Morris Glen	60	60	0			9% LIHTC		
Fairfax Co.	Mount Vernon House	130	119	11	TE Bonds			Sec 8 NC/SR	130
Fairfax Co.	Tysons Tower	274	254	20	Sec 236/TE Bonds	Sec 236 Int Credit			
Arlington Co.	Claridge House I	300	300	0	TE Bonds/Sec 223f/GNMA			Sec 8 NC/SR	300
Arlington Co.	Culpeper Garden (congregate)	210	203	7	Sec 236	Sec 236 Int Credit		RAP	210
Arlington Co.	Culpeper Garden II (congregate)	63	63	0	Sec 202			Sec 202/8	63
Arlington Co.	Elmwood House	50	50	0		Sec 202 Cap. Grant		PRAC	50
Arlington Co.	Lockwood House	99	98	1	Sec 202			Sec 202/8	99
Arlington Co.	The Carlin	162	154	8			9% LIHTC		
Arlington Co.	Woodland Hill	235	200	35	TE Bonds			Sec 8 NC/SR	235
Alexandria	Annie B. Rose House	90	90	0	TE Bonds			Sec 8 NC/SR	90
Alexandria	Claridge House II	300	300	0	TE Bonds			Sec 8 NC/SR	300
Alexandria	Landrey Building	170	170	0		Public Housing		Public Housing	170
Falls Church	Winter Hill	80	80	0	TE Bonds	VHPF Grant		Sec 8 NC/SR	80
Manassas	Quarry Station	79	40	39	VHF/VHPF/ Tax. Bonds		9% LIHTC		
Fauquier Co.	The Oaks I (aka Oak Springs I)	96	93	3	VHPF/Taxa ble Bonds		9% LIHTC		
Fauquier Co.	The Oaks II (aka Oak Springs II)	15	0	15			9% LIHTC		
Fauquier Co.	Warrenton Manor	68	68	0	TE Bonds			Sec 8 NC/SR	68
Culpeper Co.	Mountain Run (elderly portion)	26	26	0	VHF/Sec 515	Sec 515 Int Credits	9% LIHTC	RHA RA	26
Orange Co.	Belleview House I	36	30	6			9% LIHTC		
Orange Co.	Belleview House II	12	0	12			9% LIHTC		
Orange Co.	Heritage Hill Apts	60	60	0	Sec 515	Sec 515 Int Credits		RHS RA	60
Orange Co.	Meadow Run	43	43	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	43
Albemarle Co.	Scottsville School	34	34	0	VHF/VHPF	VHPF Grant	9% LIHTC	Sec 8 Mod Rhb	34
Albemarle Co.	The Meadowlands	30	30	0	Sec 202			Sec 202/8	30
Albemarle Co.	The Meadows	27	27	0	Sec 515			Sec 8	27
Albemarle Co.	Woods Edge	97	77	19	AMT Bonds		4% LIHTC		
Nelson Co.	Lovingston Ridge (elderly portion)	32	32	0	Sec 515	Sec 515 Int Credits	9% LIHTC		

Locality	Development Name	Total Senior Units	Effic./ 1 Bdrm Units	2 Bdrm Units	Mortgage Loan Programs	Capital Subsidy Programs	Low Income Housing Tax Credits	Rent / Operating Subsidies	
								Program	Units
Louisa Co.	Epworth Manor	61	61	0	Sec 202			Sec 202/8	61
Charlottesville	Cresent Halls	105	98	7		Public Housing		Public Housing	105
Charlottesville	Midway Manor	98	94	4	TE Bonds			Sec 8 NC/SR	98
Amherst Co.	Amherst Village	48	48	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	48
Bedford	Raintree East	78	64	14	Sec 231			Sec 8 NC/SR	78
Bedford	Salem Court	40	39	1	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40
Lynchburg	Frank Roane	26	22	4	TE Bonds			Sec 8 NC/SR	26
Lynchburg	Hillcrest	103	90	13	TE Bonds			Sec 8 NC/SR	103
Lynchburg	Jefferson House	101	101	0	Sec 236	Sec 236 Int Credit			
Lynchburg	Lynchburg High (senior portion)	40	38	2	TE Bonds			Sec 8 NC/SR	40
Lynchburg	McGurk House	89	89	0	Sec 202			Sec 202/8	89
Lynchburg	Meadowbrook	150	114	36	Sec 221d3			Rent Sup Conv	150
Lynchburg	Tinbridge Manor	56	47	9			9% LIHTC		
Franklin Co.	Tanyard Village	66	66	0	Sec 515	Sec 515 Int Credits		RHS RA	66
Patrick Co.	Cotton Mill	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	39
Pittsylvania Co.	Colonial Ridge	40	38	2	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	31
Pittsylvania Co.	The Parks I (aka Parks of Chatham)	39	39	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	39
Danville	Danville House	105	96	9	TE Bonds			Sec 8 NC/SR	105
Danville	Hairston and Johnson Housing	41				Sec 202 Cap. Grant		PRAC	41
Danville	Heritage Towers	100	92	8	TE Bonds			Sec 8 NC/SR	100
Danville	Hilltop Gardens	41	41	0	Sec 202			Sec 202/8	41
Danville	Holiday Village I	64	61	3	TE Bonds/Sec 223f/GNMA			Sec 8 NC/SR	64
Danville	Holiday Village II	51	46	5	TE Bonds/Sec 223f/GNMA			Sec 8 NC/SR	51
Danville	Holiday Village III	18	18	0	TE Bonds			Sec 8 NC/SR	18
Danville	Ingram Heights	48	42	6		Public Housing		Public Housing	48
Martinsville	Glen Ridge Apts	41	41	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	41
Martinsville	Martins Landing II	38	36	2	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	38
Martinsville	Spruce Village	100	97	3	TE Bonds			Sec 8 NC/SR	100
Halifax Co.	Rose Hill I	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40
Halifax Co.	Rose Hill II (congregate)	36	35	1	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	36
Halifax Co.	Woodcrest Apts	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40

Locality	Development Name	Total Senior Units	Effic./ 1 Bdrm Units	2 Bdrm Units	Mortgage Loan Programs	Capital Subsidy Programs	Low Income Housing Tax Credits	Rent / Operating Subsidies	
								Program	Units
Mecklenburg Co.	Chase Place Apts.	35	35	0		Sec 202 Cap. Grant		PRAC	35
Mecklenburg Co.	Cross Creek	19	19	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	19
Mecklenburg Co.	Maple Manor	26	21	5	Sec 515	Sec 515 Int Credits/VHPF Grant	9% LIHTC	RHS RA	26
Brunswick Co	Brunswick Commons	24	24	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	24
Brunswick Co	Lawrenceville Manor (aka Brunswick Manor)	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40
Charlotte Co.	Autumn Wood Heights	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40
Charlotte Co.	Drakes Branch Elderly Apts.	32	32	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	32
Lunenburg Co.	Victoria Place	39	39	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	39
Nottaway Co.	Blackstone Manor (aka Magnolia Pl)	56	56	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	56
Nottaway Co.	Deerfield Apts	39	39	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	39
Prince Edward Co.	Milnwood Village	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40
Cumberland Co.	Farm Ridge Apts	35			Sec 515	Sec 515 Int Credits		RHS RA	35
Buckingham Co.	Gold Hill Village	20	20	0	TE Bonds			Sec 8 NC/SR	20
Hanover Co.	Christian Village of Central VA	72	72	0		Sec 202 Cap. Grant		PRAC	72
Hanover Co.	Harbour Square	100	86	14	Sec 221d4			Sec 8 NC/SR	100
Charles City Co.	Sign Post Estates (elderly part)	12	12	0	Sec 515	Sec 515 Int. Credits	9% LIHTC	RHS RA	12
Chesterfield Co.	Market Square	62	62	0	VHF		9% LIHTC		
Chesterfield Co.	Rockwood Village	83				Sec 202 Cap. Grant		PRAC	83
Henrico Co.	Beth Sholom Woods	112	111	1	Sec 202			Sec 202/8	111
Henrico Co.	King's Grant	90	58	32	AMT Bonds		4% LIHTC		
Henrico Co.	Marywood	111	106	5	Sec 202			Sec 202/8	111
Henrico Co.	Parham Park Place	86	0	86	VHF/Taxable Bonds		9% LIHTC		
Richmond	Bacon Retirement Community	58	57	1	VHPF	CDBG	9% LIHTC	Sec 8	30
Richmond	Bowler Retirement Community	63	63	0	VHPF		9% LIHTC		
Richmond	Brookland Park Plaza	77	77	0	VHF	VHPF Grant	9% LIHTC	Sec 8 Mod Rhb	77
Richmond	Charnwood Forest	100	90	10	TE Bonds		9% LIHTC	Sec 8 NC/SR	100
Richmond	Chesterfield Square	175	174	1	Sec 202			Sec 202/8	174
Richmond	Church Hill & Fairmount Houses	296	296	0	TE Bonds			Sec 8 NC/SR	296
Richmond	Columns on	28	20	8	VHPF	VHPF Grant	9% LIHTC		

Locality	Development Name	Total Senior Units	Effic./ 1 Bdrm Units	2 Bdrm Units	Mortgage Loan Programs	Capital Subsidy Programs	Low Income Housing Tax Credits	Rent / Operating Subsidies	
								Program	Units
	Grove								
Richmond	Dominion Place	249	249	0	TE Bonds			Sec 8 NC/SR	249
Richmond	Forestbrooke (aka Charlevoix)	94	90	4	TE Bonds		9% LIHTC	Sec 8 NC/SR	94
Richmond	Foxwood (elderly portion)	24	24	0	TE Bonds			Sec 8 NC/SR	24
Richmond	Frederic A. Fey Towers	200	200	0		Public Housing		Public Housing	200
Richmond	Guardian Place I	120	108	12	Taxable Bonds		9% LIHTC		
Richmond	Guardian Place II	114	80	34			9% LIHTC		
Richmond	Melvin C. Fox Manor	50	50	0		Public Housing		Public Housing	50
Richmond	Norcroft (aka Holly Ridge)	109	79	30	VHF/VHPF/ Tax. Bonds		9% LIHTC		
Richmond	Randolph Place	50	50	0	TE Bonds			Sec 8 NC/SR	50
Richmond	Saints Cosma & Damianos House	35	35	0	Sec 202			Sec 202/8	35
Richmond	Senior Apts	23	23	0		Public Housing		Public Housing	23
Richmond	Senior Apts	24	24	0		Public Housing		Public Housing	24
Richmond	Senior Apts	105	105	0		Public Housing		Public Housing	105
Richmond	Senior Apts	25	25	0		Public Housing		Public Housing	25
Richmond	Senior Apts	70	70	0		Public Housing		Public Housing	70
Richmond	Senior Apts	75	75	0		Public Housing		Public Housing	75
Richmond	Shockoe Hill I	113	113	0	TE Bonds		9% LIHTC	Sec 8 NC/SR	113
Richmond	Shockoe Hill II	59	59	0	Sec 221d4/TE Bonds		9% LIHTC	Sec 8 Mod Rhb	59
Richmond	Shockoe Hill III	12			VHPF	VHPF Grant			
Richmond	Southside (elderly portion)	200				Public Housing		Public Housing	200
Richmond	The Arbors	85	69	16	Taxable Bonds		9% LIHTC		
Richmond	The Renaissance	240	192	48	TE Bonds			Sec 8 NC/SR	240
Richmond	Town & Country South	132	104	28	TE Bonds			Sec 8 NC/SR	132
Richmond	William Byrd Hotel	107	107	0	VHF	VHPF Grant	9% LIHTC		
Caroline Co.	Court House Lane Apts	32	32	0	Sec 515/VHF/TE Bonds	Sec 515 Int Credits	4% LIHTC	Sec NC/SR	32
Caroline Co.	Court House Lane II Apts	24	24	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	24
Spotsylvania Co.	Asbury Manor	40	39	1		Sec 202 Cap. Grant		PRAC	40
Spotsylvania Co.	King's Crest Seniors	99	52	47			9% LIHTC		
Spotsylvania Co.	Meadows at Salem Run I	99	78	21			9% LIHTC		
Spotsylvania Co.	Meadows at Salem Run II	80	57	23			9% LIHTC		
Spotsylvania Co.	The Pines (elderly part)	24	24	0	Sec 515	Sec 515 Int Credits		RHS RA	24

Locality	Development Name	Total Senior Units	Effic./ 1 Bdrm Units	2 Bdrm Units	Mortgage Loan Programs	Capital Subsidy Programs	Low Income Housing Tax Credits	Rent / Operating Subsidies	
								Program	Units
Stafford Co.	McKendree Manor (Spring Knoll Manor)	23	23	0	Sec 202			Sec 202/8	23
King George Co.	Dahlgren Harbor Apartments	72			VHPF	VHPF Grant			
Fredericksburg	Madonna House at Belmont	130	99	31	AMT Bonds		4% LIHTC		
Fredericksburg	Mill Park Terrace	129	129	0	TE Bonds			Sec 8 NC/SR	129
Westmoreland	The Meadows (aka Riverside Meadows)	32	32	0		Sec 202 Cap. Grant		PRAC	32
Richmond Co.	College Green I	32	32	0	Sec 515	Sec 515 Int Credits		RHS RA	32
Richmond Co.	Warsaw Manor (congregate)	56	52	4	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	56
Lancaster Co.	Holly Court	40	40	0		Sec 202 Cap. Grant		PRAC	40
Northumberland Co.	Reedville Manor	32	32	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	32
Essex Co.	Tappahannock Green	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	40
King William Co.	King William Village	32	32	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	32
King William Co.	Winter's Point	27	27	0		Sec 202 Cap. Grant		PRAC	27
Middlesex Co.	Fishing Bay Estates	15	15	0	Sec 515			Sec 8	15
Gloucester Co.	Daffodil Gardens	64				Sec 202 Cap. Grant		PRAC	64
Sussex Co.	Covington Court	24	24	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	24
Surry Co.	Lebanon Village I	24	24	0	Sec 515	Sec 515 Int Credits		RHS RA	24
Surry Co.	Lebanon Village II	24	24	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	24
Emporia	Belford Commons	23				Sec 202 Cap. Grant		PRAC	23
Emporia	Carriage Run	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	33
Emporia	Trinity Woods	70	70	0		Sec 202 Cap. Grant		PRAC	70
Hopewell	Hopewell Heights (senior portion)	100	95	5	TE Bonds			Sec 8 NC/SR	100
Hopewell	Kittax Place	100	96	4		Public Housing		Public Housing	100
Petersburg	Bolling Park	47	44	3			9% LIHTC		
Petersburg	Carriage House	143	143	0	TE Bonds			Sec 8 NC/SR	143
Petersburg	Gillhaven Manor	101	100	1	Sec 202			Sec 202/8	100
Petersburg	Lafayette House	100	95	5	Sec 202			Sec 202/8	100
Petersburg	Sycamore Towers	100	96	4		Public Housing		Public Housing	100
Petersburg	Washington Columns	26	24	2	VHPF	CDBG	9% LIHTC		
Colonial Heights	Dunlop Farms Senior Apts.	87	0	87	Taxable Bonds		9% LIHTC		

Locality	Development Name	Total Senior Units	Effic./ 1 Bdrm Units	2 Bdrm Units	Mortgage Loan Programs	Capital Subsidy Programs	Low Income Housing Tax Credits	Rent / Operating Subsidies	
								Program	Units
Isle of Wight Co.	Covenant Place	40	40	0	Sec 202			PRAC	40
Isle of Wight Co.	Springdale I	40	40	0		Sec 202 Cap. Grant		PRAC	40
Isle of Wight Co.	Springdale II	40	40	0		Sec 202 Cap. Grant		PRAC	40
Suffolk	Bettie S. Davis Village	60	60	0	TE Bonds			Sec 8 NC/SR	60
Suffolk	Chorey Park	100	95	5		Public Housing		Public Housing	100
Suffolk	Colander Bishop Meadows (elderly portion)	20	20	0		Public Housing		Public Housing	20
Suffolk	Magnolia Gardens	69				Sec 202 Cap. Grant		PRAC	68
Suffolk	William H. Plummer Plaza	49	49	0	Sec 202			Sec 202/8	49
Franklin	Holland Trace	48	42	6	VHF		9% LIHTC		
Franklin	Public Housing (elderly portion)	22				Public Housing		Public Housing	22
Portsmouth	Effingham Plaza	176	145	31	TE Bonds			Sec 8 NC/SR	176
Portsmouth	Greenwood Elderly	52	0	52			9% LIHTC		
Portsmouth	Malvern Hill	55	55	0	TE Bonds			Sec 8 NC/SR	55
Portsmouth	Mount Hermon Village	90	88	2	Sec 202			Sec 202/8	90
Virginia Beach	Beth Sholom Sands	120	113	7	Sec 202			Sec 202/8	119
Virginia Beach	Holland House I	100	43	57	Taxable Bonds		9% LIHTC		
Virginia Beach	Holland House II	12	5	7	Taxable Bonds		9% LIHTC		
Virginia Beach	Jamestown Commons I	132	18	114			9% LIHTC		
Virginia Beach	Jamestown Commons II	132	18	100	Taxable Bonds		9% LIHTC		
Virginia Beach	Luther Manor	123	117	6	Sec 202			Sec 202/8	123
Virginia Beach	Princess Anne House	186	2	184	AMT Bonds		4% LIHTC		
Virginia Beach	Silver Hill at Great Neck	122			VHPF/AMT Bonds		4% LIHTC		
Virginia Beach	Thalia Landing (aka Pine Oaks)	154					9% LIHTC		
Virginia Beach	The Russell House	119	113	6	Sec 202			Sec 202/8	118
Norfolk	Annetta M. Lane Apts.	40	40	0		Sec 202 Cap. Grant		PRAC	40
Norfolk	Braywood Manor	238	220	18	TE Bonds			Sec 8 NC/SR	238
Norfolk	Calvary Towers	112	112	0	Sec 202			Sec 202/8	112
Norfolk	Cogic Memorial Home	150	140	10	Sec 236	Sec 236 Int Credit		Sec 8 LMSA	148
Norfolk	Cromwell House	205	183	22	Taxable Bonds		9% LIHTC		
Norfolk	Eulalie Bottitt	84	74	10		Public Housing		Public Housing	84

Locality	Development Name	Total Senior Units	Effic./ 1 Bdrm Units	2 Bdrm Units	Mortgage Loan Programs	Capital Subsidy Programs	Low Income Housing Tax Credits	Rent / Operating Subsidies	
								Program	Units
	Apts.								
Norfolk	Grace Place (aka Liberty Park)	39	39	0	Sec 202			Sec 202/8	39
Norfolk	Granby House	154	154	0	TE Bonds			Sec 8 NC/SR	154
Norfolk	Hunter Square	91	83	8		Public Housing		Public Housing	91
Norfolk	Lakewood Plaza	200	200	0	Sec 236	Sec 236 Int Credit		Sec 8 LMSA	191
Norfolk	Robert Partrea Apts.	114	102	12		Public Housing		Public Housing	114
Norfolk	Shorewood Cove	129	75	54			9% LIHTC		
Norfolk	Stonebridge Manor	156					9% LIHTC		
Norfolk	Suburban House	154	154	0	TE Bonds			Sec 8 NC/SR	154
Norfolk	Sykes Apts.	84	77	7		Public Housing		Public Housing	84
Norfolk	Tucker House	80	80	0	Sec 202			Sec 202/8	80
Norfolk	Tucker House II	46	46	0	Sec 202			Sec 202/8	46
Chesapeake	Cambridge Square	150	150	0	Sec 221d4			Sec 8 NC/SR	150
Chesapeake	Chesapeake Crossing I	159	36	123	Tax. Bonds/VHP F		9% LIHTC		
Chesapeake	Chesapeake Crossing II	135	42	93	Taxable Bonds		9% LIHTC		
Chesapeake	Chesapeake Crossing III	228	120	108	AMT Bonds		4% LIHTC		
Chesapeake	Churchland Courtyard	124	0	124			9% LIHTC		
Chesapeake	Greenbrier Seniors	91	0	91			9% LIHTC		
Chesapeake	Kemet House	38	38	0	Sec 202			Sec 202/8	38
Chesapeake	The Commons @ Chesapeake (aka Spring Hill @ Chesapeake & Tidewater House)	101	1	100	AMT Bonds		4% LIHTC		
James City Co.	Burnt Ordinary Village (III)	22	22	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	22
James City Co.	Lafayette Village Elderly	40	40	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	32
Williamsburg	Williamsburg Housing (elderly portion)	38	38	0		Public Housing		Public Housing	38
Newport News	Berkley South	190	190	0	Sec 221d4/TE Bonds			Sec 8 NC/SR	190
Newport News	Berkley Village	198	148	50	Sec 221d3			Sec 8 NC/SR	198
Newport News	Berkley West	175	131	44	Sec 221d4			Sec 8 NC/SR	175
Newport News	Christian Village of Eastern VA	43				Sec 202 Cap. Grant		PRAC	43
Newport News	Great Oaks	140	140	0	TE Bonds			Sec 8 NC/SR	140
Newport News	Lexington Commons (aka	132	32	100			9% LIHTC		

Locality	Development Name	Total Senior Units	Effic./ 1 Bdrm Units	2 Bdrm Units	Mortgage Loan Programs	Capital Subsidy Programs	Low Income Housing Tax Credits	Rent / Operating Subsidies	
								Program	Units
	Courthouse Seniors Community)								
Newport News	Pinecroft	140	140	0		Public Housing		Public Housing	140
Newport News	Silver Hill at Arboretum	153	100	53	AMT Bonds		4% LIHTC		
Newport News	Spratley House	50	50	0		Public Housing		Public Housing	50
Newport News	Wellesley Commons	40	40	0		Sec 202 Cap. Grant		PRAC	40
Hampton	Langley Village	146	131	15		Public Housing		Public Housing	146
Hampton	Lincoln Park (elderly portion)	96	96	0		Public Housing		Public Housing	96
Hampton	Seton Manor	112	112	0	Sec 202			Sec 202/8	112
Accomack Co.	Accomack Senior Village	33	33	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	33
Northampton Co.	Exmore Village I	36	36	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	36
Northampton Co.	Exmore Village II	64	64	0	Sec 515	Sec 515 Int Credits	9% LIHTC	RHS RA	64
Northampton Co.	Heritage Acres VI	98	98	0	Sec 202			Sec 202/8	97
Northampton Co.	Peter Cartwright Manor I	23				Sec 202 Cap. Grant		PRAC	23
Northampton Co.	Peter Cartwright Manor II	23				Sec 202 Cap. Grant		PRAC	23
		26,530	21,940	3,236					18,987

Projects in Development

Name	Development Name	Total Senior Units	Effic./ 1 Bdrm Units	2 Bdrm Units	Mortgage Loan Programs	Capital Subsidy Programs	Low Income Housing Tax Credits	Rent / Operating Subsidies	
								Program	Units
Bristol	Thomas Jefferson Apts.	31	22	9	Local 2nd Mortgage		9% LIHTC		
Radford	Ridgewood Place	40	36	4	VHF		9% LIHTC		
Roanoke Co.	Blue Ridge Village	48	8	40			9% LIHTC		
Staunton	Phase I ?	25	25	0		Sec 202 Cap. Grant		PRAC	25
Staunton	Phase II ?	25	25	0		Sec 202 Cap. Grant		PRAC	25
Prince William Co.	Potomac Woods II	44	21	23			9% LIHTC		
Prince William Co.	The Woods at Victoria Park	48	10	38	Taxable Bonds		9% LIHTC		
Prince William Co.	Triangle Senior Apts.	58	40	18	Taxable Bonds/VHF		9% LIHTC		
Fairfax Co.	Coppermine Place Seniors	66	30	36	VHF/VHPF		9% LIHTC		
Fairfax Co.	Gum Springs Glen	60	56	4	RHA		9% LIHTC		

					loan/VHPF				
Arlington Co.	Hunters Park @ Cherrydale	74	74	0		Local Govt. Loan	9% LIHTC		
Culpeper Co.		23	23	0		Sec 202 Cap. Grant		PRAC	23
Orange Co.	Germanna Heights	60	30	30	Taxable Bonds/VHF		9% LIHTC		
Nelson Co.	Ryan School Apts	31	26	5	?	?	9% LIHTC		
Lynchburg	?	71	71	0		Sec 202 Cap. Grant		PRAC	71
Danville	Dan River Crossing	75	60	15	Local 2nd Mortgage	Local Grant	9% LIHTC		
Mecklenburg Co.		23				Sec 202 Cap. Grant		PRAC	23
Prince Edward Co.		23	23	0		Sec 202 Cap. Grant		PRAC	23
Chesterfield Co.	Market Square II	42	35	7	Taxable Bonds/VHF		9% LIHTC		
Henrico Co.	Reflections	104	52	52	Taxable Bonds/VHF		9% LIHTC		
Henrico Co.	Sandston Plateau Seniors	100	100	0	VHF/VHPF		9% LIHTC		
Richmond	Maury Park (aka Maury Sr. Retire. Vil.)	45	45	0	VHF/VHPF	Local Grant	9% LIHTC		
Richmond		71	71	0		Sec 202 Cap. Grant		PRAC	71
Westmoreland Co.		24	24	0		Sec 202 Cap. Grant		PRAC	24
Middlesex Co.	?	24	24	0		Sec 202 Cap. Grant		PRAC	24
Emporia	Washington Square Senior Apts.	40	32	8	VHF		9% LIHTC		
Portsmouth	Shea Terrace Senior Apts.	21	17	4			9% LIHTC		
Portsmouth	Victory Square Seniors	112	98	14			9% LIHTC		
Virginia Beach	Lynnhaven Cove	115	55	60			9% LIHTC		
Virginia Beach	Victoria Place	122	52	70	Taxable Bonds		9% LIHTC		
Virginia Beach		67	67	0		Sec 202 Cap. Grant		PRAC	67
Norfolk	Franklin Arms (aka Marshall Manor)	100	88	12	Hope VI	RHA land contribution	9% LIHTC		
Norfolk	Village Point	60				Sec 202 Cap. Grant		PRAC	60
Chesapeake	Cottages @ Great Bridge	96	12	84	Taxable Bonds		9% LIHTC		
Newport News	Medical Arts Senior Apts.	20	20	0	CDBG Loan		9% LIHTC		
Newport News	Orcutt Senior Apts.	50	42	8		Hope VI	9% LIHTC		
Newport News		37	37	0		Sec 202 Cap. Grant		PRAC	37
		2,075	1,451	541					473

Housing Resources for Persons with Mental Disabilities and Substance Abuse Problems

CSBs currently provide residential care at four levels. "Highly intensive" residential services provide in approximately 500 units includes short-term residential treatment, alternatives to hospitalization and substance abuse detoxification. The CSBs provide "intensive," "supervised," and "supportive" residential services in almost 8,900 units. This includes over 2,500 beds in CSB controlled facilities with daily on-site supervision and individualized staff contact and support. More than 6,000 clients reside in regular community housing.

CSB Housing Resource Capacity in FY2000				
Congregate Programs by Level of Service	**Mental Health**	**Mental Retardation**	**Substance Abuse**	**Total**
Highly Intensive	57	65	208	330
Intensive	131	425	674	1,230
Supervised	612	261	93	966
Total for Congregate Programs	**800**	**751**	**975**	**2,526**

Assisted living facilities (formerly Adult Care Residences or ACRs) provided a separate parallel system of residential programs that may serve persons with MH/MR/SA disabilities.

Mental Health: The state has recognized the importance of residential services as a component of the overall effort to respond to identified and anticipated future needs in mental health, mental retardation, and substance abuse services. In FY 1999 and FY 2000, the Governor and General Assembly provided $6.5 million for mental health residential and support services, of which CSBs budgeted 32 percent for discharged patients and 21 percent for rental assistance. The General Assembly added $1.4 million in FY 2001, of which 23 percent was designated for rental assistance.

The CSBs used these funds in a variety of ways to meet the housing needs of nearly 2000 consumers as follows:

- 6 CSBs budgeted $706,816 (11%) to serve 171 PACT consumers in regular housing
- 1 budgeted $26,666 as match for a HUD Homeless Grant to serve 25 consumers
- 26 budgeted $2,085,483 (32%) to serve 687 discharged State Hospital patients
- 24 budgeted $1,407,294 (22%) to serve 512 consumers with rental assistance
- 11 budgeted $700,957 (11%) to use for residential services in projects that will leverage over $1 million in other sources of

funding for housing assistance

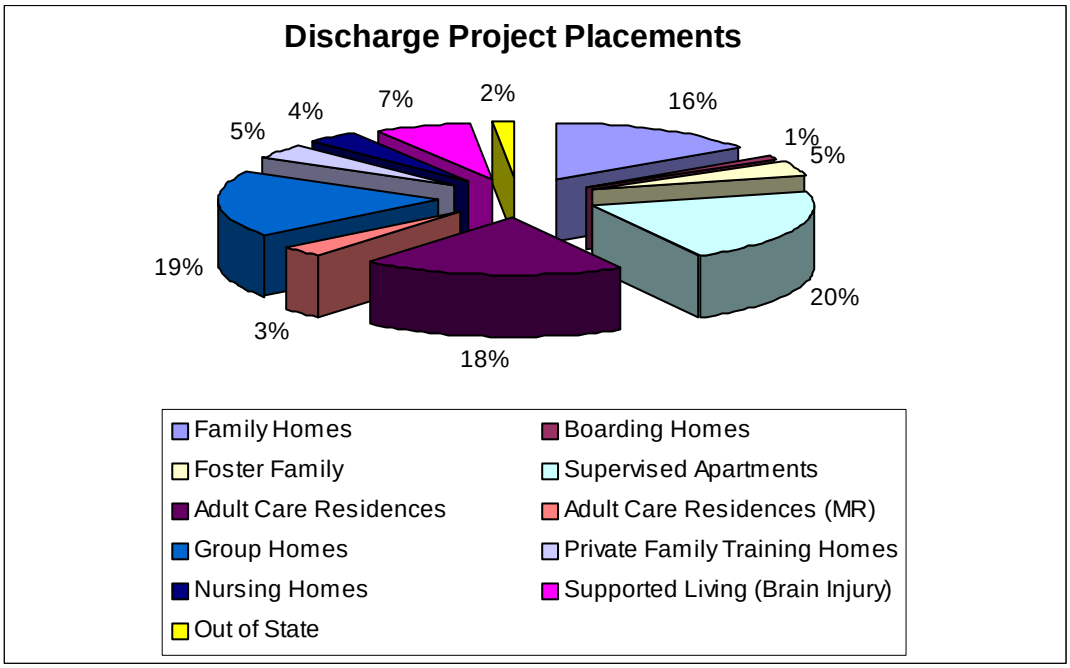
- 21 budgeted $1,528,784 (24%) to serve 393 consumers with other residential services

Mental Retardation: The Mental Retardation Medicaid Waiver has been an increasingly important funding mechanism for most of the MR residential services development over the last few years. Because of recommendations from the U.S. Centers for Medicare and Medicaid Services (CMS), the waiver was changed to begin phasing out reliance on licensed assisted living facilities (ALF, formerly Adult Care Residences or ACRs) as providers of congregate residential support services.

Substance Abuse: New highly intensive residential facilities were recently developed to help successfully reduce hospitalization in state facilities for people with severe substance abuse problems. In FY 2000, approximately $1.25 million in state and federal funds was used to support these programs. The Oxford House program currently operates 44 recovery houses providing 374 beds for adults recovering from substance abuse problems.

Facilities and Services for Persons Discharged from MH Facilities

Efforts to provide housing assistance for deinstitutionalized population may be included within other more comprehensive programs addressing the housing needs of all lower income households. The results of the DMHMRSAS-initiated "discharge" projects at Western State and Central State Hospitals, in which individuals were discharged to the community using funds that would otherwise have been used to maintain them in state facilities, suggests the importance of assuring the availability of a wide array of housing resources. These programs have emphasized the need to provide for the continuity of care between the discharging facility and the receiving community in order to minimize negative outcomes.



C. Barriers to Affordable Housing

Through legislation and regulations, the state has established policies in a number of areas that can directly or indirectly affect the cost of housing and incentives for the development, maintenance, or improvement of housing. The state's policies are of particular importance because Virginia localities are subject to the "Dillon Rule." This rule of statutory construction limits the authority of local governments to those powers specifically granted by general or special law, those necessarily or fairly implied from granted powers, or those that are essential to carrying out the functions of government. Thus, enabling legislation in the form of general laws, special laws, or charter provisions must be in place before localities can adopt many of the most commonly encountered land use or taxation policies.

Virginia has applied two overriding principles with respect to many of these policy areas. First, the state assigns much of the responsibility for the enforcement or application of laws and regulations to local government. Second, Virginia generally attempts to promote uniformity in the substantive provisions and in the application of state and local laws, ordinances, and regulations. The state's overall policy is directed at shaping a regulatory environment that is as favorable as possible to sustaining and increasing the affordability of a variety of housing options while simultaneously addressing issues of health, safety, general welfare, and the protection of significant natural resources and the environment.

Property Tax Policies

Real property taxes are the most significant revenue source for Virginia's local governments. The state requires that local taxing authorities assess property on a uniform basis at 100 % percent of fair market value. Virginia annually reviews assessment/sales ratios to assure that the coefficient of dispersion (a measure of the accuracy of local assessments) falls within acceptable limits. The loss of certain state transfer payments is a possible penalty for localities failing to assess within an acceptable range of fair market values. The state also requires that local authorities reassess properties on a periodic basis—the time lapsing between reassessments varies according to the type of local government and the population of the locality.

Despite the emphasis on uniform assessments, the state has authorized localities to use certain credits or exemptions from the local real property tax to address specific issues such as reducing the cost of housing for the elderly, promoting economic development or redevelopment in depressed areas, or stimulating reinvestment in certain types of properties. Local governments may provide by ordinance for real property tax exemptions or deferrals to elderly or permanently disabled homeowners subject to a variety of income and asset restrictions. Local governments may also adopt ordinances providing partial

exemptions from property taxes for rehabilitated, renovated, or replacement residential, hotel or motel, or commercial or industrial structures. Localities may also offer tax credits for rehabilitated, renovated, or replacement residential structures. Recently, the availability of such local property tax credits--as well as other tax or funding sources--for various residential properties has helped encourage significant reinvestment in many areas of the state. The conversion of existing commercial or industrial space to residential uses has become a noteworthy trend in several older urban centers.

Other tax policies are intended to prevent the premature development of land. Land use taxation offers preferential treatment for real property used for agricultural, open space, or forestal uses by taxing the use rather than the potential value as developed land. However, when land held in such programs is developed, a rollback tax policy requires the repayment of five years of previously deferred taxes.

Recently, the degree of local dependence on real property tax revenues may have contributed to part to local concern about rapid residential or “sprawl” development. Some opposition to residential development reflects the fiscal stress the rapid residential development imposes on localities that must provide needed public facilities such as schools, libraries, recreational facilities, etc. for a growing population. One consequence has been the establishment of a legislative commission to study Virginia's state and local tax structure. Although the commission has deferred making many substantive recommendations concerning the division of revenues and responsibilities for services between the state and local governments, it is anticipated that the issue may be a major focal point during the 2003 legislative session. The economic, social, demographic, and technological trends that have been associated with the transformation much of the state’s economy and the corresponding period of rapid population growth have challenged the capacity of governmental units at all levels.

Land Use Regulation

State law requires that all local governments adopt a subdivision ordinance and develop a comprehensive plan. The 2003 General Assembly enacted a significant new provision in the state’s enabling legislation for local comprehensive plans. Future local comprehensive plans must designate areas and the implementation of measures for the construction, rehabilitation, and maintenance of affordable housing, which is sufficient to meet the current and future needs of residents of all levels of income in the locality while considering the current and future needs of the planning district within which the locality is situated.

Enabling legislation also permits, but does not require localities to adopt a zoning ordinance. All Virginia cities and most counties have adopted zoning. Such ordinances prescribe uses for designated areas of the community and set

other relevant policies that may affect the location, size, cost, and type of housing. Generally, localities are free to establish zoning districts permitting or restricting various forms of development. Such local regulations may promote or limit the availability or affordability of housing by limiting density, requiring multifamily properties to undergo special permitting requirements or reviews, or applying other restrictions. In addition, enabling legislation has established three forms of conditional zoning. Using conditional zoning, localities may be able to accept various voluntarily proffered conditions relating to proposed developments. In Northern Virginia and other rapidly growing regions, these proffers may include cash. The development community has expressed growing concern about the potential impact of rising proffers, noting that despite their voluntary character, the zoning applicant may feel constrained to offer cash proffers in order to secure favorable consideration for the rezoning of land for residential development.

To promote the availability or affordability of certain housing options, the state has preempted local authority in relatively few instances. Localities must treat as residential uses small (eight residents plus one or more staff persons) group homes for persons with certain physical or mental disabilities. The state requires that counties permit the placement of manufactured housing units in agricultural zoning districts. Manufactured units constitute a large percentage of affordable housing in many rural areas of the state.

The General Assembly has also enacted measures designed to mute the possible impact of local regulations on the supply, and therefore the cost, of homes. In 1998, the legislature enacted language clarifying the point at which a developer's right to proceed with a development had vested. By defining which decisions were significant governmental acts, the statute restrained the ability of local governments to increase development requirements through subsequent changes in ordinances affecting development standards. A second change in the zoning enabling law also limited the authority of localities to require an application for a special exception when a proposed residential development met the existing use, height, and density restrictions of the zoning district. Most recently, the legislature shortened the review period for subdivision plat and made other changes in the review process. The purposes of these changes were to reduce potential procedural restrictions that could increase delays in the residential development process and thereby increase housing costs.

Many of these actions restrain local authority that could limit affordable residential developments; however, the state has enacted other provisions that localities may use to encourage affordable housing. To address the potential shortfall in the availability of affordable housing, the state has authorized, but not required, localities to adopt affordable dwelling unit ordinances. This type of ordinance permits an increase in the density (density bonus) of a proposed development in return for the provision of a specified percentage of "affordable dwelling units." The individual locality adopting the ordinance may determine the

definition of what constitutes an affordable dwelling unit. The statute requires that the locality establish an advisory board to assist it in determining what constitutes an affordable unit within the local housing market.

Development Fees and Growth Management Policies

Unlike a number of other states, Virginia has not developed a unified growth management process involving state agencies and localities in an effort to define growth and preservation areas. Although support for a statewide approach to managing growth has been limited, interest in local growth management has been increasing as an antidote to what is frequently described as "urban sprawl." Some residents most rapidly growing communities in the state have recently expressed growing concern about the impact of residential development on their communities. Local governments and members of the legislature representing "high-growth" localities, in turn, have expressed increasing interest in authorizing local growth control measures. Cities and counties in rapidly urbanizing areas sought legislative assent for a number of different regulatory approaches. Possible options included broadened authority to impose development impact fees, permission to enact local adequate public facilities ordinances, and authorization to establish caps on the number of residential building permits that could be issued annually.

Although the General Assembly, citing concerns about the impact of such regulations on housing affordability, has continued to reject most of these requests, they remain open for future consideration. The most recent legislative actually allowed the lapse of existing authority for localities to impose development impact fees to pay for needed road improvements. However, localities retain the authority to purchase development rights for the purposes of preserving open space, providing one tool that could be used to limit the areas where future development may be permitted.

To preserve the quality of the Chesapeake Bay, Virginia, like other states in the drainage area, has implemented regulations under the Chesapeake Bay Act. These require affected localities in the eastern portion of the state to implement regulations incorporating general water quality protection measures into their comprehensive plans, zoning ordinances, and subdivision ordinances to limit the impact of development on the Bay. In 2001, the state renewed its commitment to the multi-state Chesapeake Bay agreement, which, among other things, commits the signatories to reduce the growth of sprawl development in the overall region by thirty percent.

Building Regulations

The Uniform Statewide Building Code (USBC) is the state's primary building regulation. The USBC is currently undergoing a major revision, with a new edition tentatively scheduled to take effect early in the forthcoming fiscal

year following the completion of all of the review procedures required by the State's Administrative Process Act. DHCD is currently involved in updating the USBC by incorporating the International Code Council's (ICC) 2000 International Building Code (IBC) as the core component of the state's building regulations. The IBC represents the combined efforts of the nation's three primary model code organizations to produce a single set of comprehensive and coordinated construction and maintenance codes. The hallmarks of the USBC are the uniformity of its substantive provisions and its reliance on performance-based instead of prescriptive standards. These characteristics help reduce costs that would otherwise result from non-uniform requirements or the inability to use the most appropriate materials and methods of construction regardless of the locality.

Recent legislation has also clarified the authority of the building code to include provisions allowing local building officials—the individuals charged with primary responsibility foe enforcement of the regulations—to evaluate requests for and grant modifications to the provisions of the building code. This flexibility has become an essential part of the effort to development regulations that will allow the safe use of older existing structures—potentially creating new opportunities for affordable housing and economic development in existing developed areas in older cities and suburban areas.

Because uniformity in the way the USBC is enforced is as important as its substantive provisions, the state also maintains training and certification standards for local building officials and key code enforcement personnel. In 2002, the General Assembly modified provisions for the funding of the Building Code Academy, the

Fair Housing Impediments

In the past, DHCD examined potential issues relating to the status of fair housing in Virginia and has continued to require a number of affirmative steps by program participants to assure local adherence to fair housing standards in all grant and loan programs administered by the agency. The state' primary fair housing enforcement agency also underwent an intense review by the Joint Legislative Audit and Review Commission in 1998. The implementation of several recommendations resulting from that study have enhanced the effectiveness of the fair housing enforcement effort and increased activities intended to foster increased public and professional awareness of fair housing requirements.

The state has continued to focus on a variety of issues associated with fair housing. The Virginia Housing Study Commission conducted a major review of fair housing enforcement in the state during 2002. The review followed on the heels of the publication of two reports prepared by Housing Opportunities Made Equal, Inc, (HOME) documenting the barriers faced by African-Americans and

persons with disabilities in a dozen large, medium, and smaller Virginia cities. Testimony received at meetings of the Commission's fair housing enforcement work group focused on alternatives for increasing the effectiveness of Virginia's enforcement efforts, including alternatives and enhancements to the current program administered by the Fair Housing Office at the Department of Professional and Occupational Regulation.

After considering information provided by fair housing advocates, state and local officials, advocates for persons with disabilities, and representatives of HUD, the Commission recommended enacting legislation to make several changes in the state's primary fair housing program. The 2003 General Assembly enacted SB 1102, which establishes a new Fair Housing Board to administer and enforce the state's fair housing laws. The new board assumes a role formerly assigned to the Real Estate Board, although the Real Estate Board will retain jurisdiction over its regulants in cases of alleged or actual violations of the Fair Housing Law. The new administrative and enforcement structure, when fully phased in, will make Virginia's approach to fair housing enforcement similar to that of most other states. Virginia had been the only state where the board regulating the real estate profession also served as the decision making body for fair housing activities.

In addition to the structural changes, the bill also addressed another issue the Commission identified: the degree to which persons not currently subject to professional regulation but involved in the sale or rental of dwellings should receive training and be certified or registered. The bill directs the new Board to establish, by regulation, an education-based certification or registration program for persons subject to the Fair Housing Law who are involved in the business or activity of selling or renting dwellings. The Board also received authority to approve training courses and instructors needed to implement the new requirements.

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III. Strategic Plan

This section of the Consolidated Plan describes the state's priorities and objectives for addressing housing and community development needs for the five-year period for state fiscal years 2004-2008. The first part of this section identifies priorities and objectives for affordable housing, homelessness, other special needs, and nonhousing community development. It analyzes the rationale for the strategies developed to address these priorities and summarizes the resources that will be used in implementing these strategies. The second part of this section describes a number of issues surrounding the institutional structure for delivering affordable housing in the State; coordination between governmental, nonprofit and for-profit agencies involved in providing housing assistance; linkages between federal low-income housing tax credits and other housing resources; and other relevant components of the overall Plan.

A. Summary of Five-Year Strategy

Mission Statement

It remains the policy of the Commonwealth that no Virginian should be without adequate shelter or be forced to go without other necessities simply to afford a place to live. The goal of the Commonwealth's housing policy is to assure the availability of safe, decent, affordable housing for all of its citizens. The role of the Department of Housing and Community Development is as a major participant—one taking direct action and facilitating actions by others—in the comprehensive revitalization of neglected and excluded communities.

Virginia has identified priorities that will govern the State Consolidated Plan for 2004-2008. Priorities and strategies to implement these priorities are listed below. The rationale for these priorities and strategy development is presented in more detail below.

B. Affordable Housing

The following three broad priorities govern the use of the State's housing funds, addressing the affordable housing and homeless needs, including those for persons with disabilities as well as other special needs, identified in the Consolidated Plan:

- Increasing the availability and affordability of safe, decent, and accessible housing to low and very low-income persons;
- increasing the ability of communities to implement creative responses to community-based needs;
- supporting policy development and research related to significant economic development, community development, and housing issues;

In addition to providing a further source of financial and technical support for housing, DHCD's community development activities, stated in five objectives of the CDBG program, complement its housing efforts by improving the economic, physical, and institutional underpinnings of the Virginia's nonentitlement communities. For their part, housing activities in CDBG eligible communities can increase the comprehensive character of community improvement efforts. DHCD and its partners have placed increasing emphasis on the importance of considering housing within the broader context of promoting better communities.

The following sections details the priorities and strategies that will govern the use of state resources for housing and community development during the state's fiscal year 2004.

Priorities for Assistance

Affordable Housing

GOAL

Improve the economic and physical environment in Virginia's communities through implementation of activities which primarily benefit low- and moderate-income persons, prevent or eliminate slums and blighting conditions, or meet urgent needs which threaten the welfare of citizens.

The following three broad priorities govern the use of the State's housing funds, addressing the affordable housing and homeless needs, including those for persons with disabilities as well as other special needs, identified in the Consolidated Plan:

PRIORITY: Increase the availability and affordability of safe, decent, and accessible housing to low and very low-income persons.

Objective: Support homeownership opportunities to a minimum of 400 low and very low-income persons annually.

Strategy: Increase affordability of home ownership through down payment and closing cost assistance through the Single Family Loan

Strategy: Work with VHDA to determine feasibility of use of Section 8 vouchers as a means of providing home ownership for low-income individuals in one rural community and for disabled in two urban communities.

Strategy: Provide predevelopment and operating funds to CHDO's to increase capacity and unit production.

Strategy: Increase capacity of non-profit developers to produce affordable home ownership opportunities through on-site technical assistance and training through the Office of Community Capacity Building in cooperation with VHDA

Strategy: Develop a more prescriptive affirmative marketing strategy and plan for use by DHCD and its sub-recipients, including administrators of the Single Family Loan Fund.

Objective: Increase the availability of affordable rental units by a minimum of 200.

Strategy: Allocate over $4.5 of HOME funds through the Affordable Housing Preservation and Production program to support production, preservation and predevelopment of at least 4 multi-family developments.

Strategy: *Provide planning and other technical assistance for very low and special needs housing development, as well as, general technical assistance on the development process and accessing resources*

Objective: **Address sub-standard living conditions, health, accessibility, and safety deficiencies for 1,500 low-income, disabled, elderly and special needs households.**

Strategy: Determine feasibility of rehab fund to address the accessibility needs of the elderly and disabled.

Strategy: Provide rehabilitation assistance for repair needs for properties identified through the Lead Hazard Control grant.

Strategy: Allocate $5 million to the Indoor Plumbing and Rehabilitation program and through the Community Development Block Grant program.

Strategy: *Implement pilot program to address the rehabilitation and energy efficiency of transitional housing project and assess impact on operational costs.*

Strategy*: Use HOME Match and Supportive and Transitional Housing programs to support the development of transitional and permanent supportive housing options for homeless, disabled and others.*

PRIORITY: Increase the ability of communities to implement creative responses to community-based needs.

Objective: **Support the development of regional approaches and best practices for addressing the affordable housing needs in Virginia.**

Strategy: Facilitate the development of three regional plans for addressing the housing needs of homeless and other low-income special needs populations in at least three communities.

Strategy: Support the Housing Virginia Campaign and its efforts to educate the public about the importance of affordable housing in communities throughout Virginia.

Strategy: Highlight successful approaches to meeting the challenge of affordable housing at the Governor's Housing Conference.

Strategy: Partner with the Virginia Housing Development Authority's Housing Initiative Team to target underserved communities through training and technical assistance.

Strategy: Develop program guidelines and implement new Commonwealth Priority Fund to best address unmet housing needs in collaboration with community-based housing organizations.

PRIORITY: Support policy development and research related to significant economic development, community development, and housing issues.

Strategy: *Work with the Virginia Housing Commission in its studies on visit-ability and mold.*

Strategy: *Review the reports of the Virginia Disability Commission and the Olmstead Study Commission and consider recommendations in the development of the FY2004 Action Plan.*

Strategy: *Working with the Virginia Interagency Council on Homelessness and through the federal-sponsored Policy Academy develop Virginia's plan to address the housing needs of the homelessness.*

Housing for those with Special Needs

Priorities for addressing the needs of the homeless (ESG) and persons with aids (HOPWA)

PRIORITY 1: INCREASE THE AVAILABILITY AND AFFORDABILITY OF SAFE AND ACCESSIBLE HOUSING THROUGHOUT THE COMMONWEALTH.

Objective A: Identify and pilot at least two (2) additional housing options

available and affordable to special needs populations requiring supportive services and document outcomes by end of FY2007.

Strategy: Educate provider dealing with special populations on non-development methods of accessing rental housing.

2003 Action: Contract with AIDS Housing of Washington to provide training to HOPWA sponsors and update of the HIV/AIDS Needs Assessment

Strategy: Contract with two community-based programs to provide tenant-based and/or project-based rental assistance to 40 chronically homeless adults by 2007.

2003 Action: Develop program design for the use of tenant-based and/or project-based rental assistance in housing chronic homeless adults in collaboration with the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services using HOME administration funds.

Strategy: Increase the housing stock accessible to homeless individuals and families.

2003 Action: Convene meeting in Planning District 9 to develop opportunities for collaborative approaches to the housing needs of persons leaving shelters.

2003 Action: Support development of two transitional housing projects in areas located outside funded Continuum of Care jurisdictions.

2003 Action: Provide match to two new Supportive Housing Program projects providing transitional or permanent supportive housing using HOME funds.

Objective B: Insure that 23,000 homeless persons receive service that result in at least 35% moving from homelessness into transitional or permanent affordable housing.

Strategy: Leverage Emergency Shelter Grant with state and other federal funds to insure safe and supportive housing individuals and families experiencing homelessness to insure the availability of shelter beds.

2003 Action: Maximize per bed funding for 100 shelter providers providing at least 4,500 beds.

2003 Action: Fund at least 40 child services coordinators in 25 shelters to address health, mental health and educational needs of homeless children.

2003 Action: Provide $425,000 through funds available from the Department of Social Services in childcare assistance that will allow parents to locate and keep employment.

2003 Action: Minimize operating costs and accessibility of shelters through development of weatherization and accessibility rehab grants to be made available through the reallocation of administrative funds.

2003 Action: Increase the accessibility and affordability of transitional housing for homeless families by providing weatherization and accessibility grants to be made available through the reallocation of administrative funds.

Objective C: Insure safe and affordable housing with supportive services is available to low-income persons with HIV/AIDS and their families.

Strategy: Insure that project sponsors receive maximum allowable payments for housing and supportive services provided.

2003 Action: Hold annual meeting of providers to update on program policies and procedures and reimbursement policies.

2003 Action: Generate a new regional program in an unserved rural area.

PRIORITY 2: INCREASE THE ABILITY OF COMMUNITIES TO IMPLEMENT CREATIVE RESPONSES TO COMMUNITY-BASED NEEDS.

Objective A: Maximize the use of federal resources for homeless programs by insuring statewide coverage by continuums of care

Strategy: Use HOME administrative funds to ensure participation of every jurisdiction in Virginia in a Continuum of Care planning effort.

2003 Action: Provide technical assistance and funding support to at least one unfunded Continuum of Care and to two new regional planning groups.

Strategy: Encourage the coordination of services and programs for populations in need.

2003 Action: Identify a project sponsor to administer the Housing Opportunities for People Living with AIDS/HIV Program (HOPWA) in the Middle Peninsula, and provide training and technical assistance related to implementation of the program.

2003 Action: Provide technical assistance to HOPWA project sponsors on a continuing basis as well as conduct an annual workshop that will foster information sharing to ensure that providers are aware of relevant programs, policies, and resources.

2003 Action: Encourage all project sponsors to participate in a local or regional continuum of care planning endeavor.

PRIORITY 3: SUPPORT POLICY DEVELOPMENT AND RESEARCH RELATED TO SIGNIFICANT ECONOMIC DEVELOPMENT, COMMUNITY DEVELOPMENT, AND HOUSING INITIATIVES.

Objective A: End homelessness by the year 2013.

Strategy: Develop and implement a statewide strategic 10-year plan to minimize the number of persons becoming homeless and reduce the duration of incidents of homelessness by June 30, 2003.

2003 Action: Contract with the Virginia Housing Research Center for the development of a 10-Year Plan to End Homelessness.

2003 Action: Introduce the 10-Year Plan for comment and next steps at the Governor's Housing Conference in November 2003.

Objective B: Address non-metropolitan (rural) homelessness more effectively.

Strategy: Use ESG essential services and prevention categories for a pilot project in non-metropolitan jurisdictions, emphasizing housing and prevention and essential services necessary to maintain housing.

2003 Action: Select through a competitive application process and fund one regional project to provide housing and prevention services, and essential services necessary to maintain housing.

B. Priority Analysis and Strategy Development

The State's five affordable housing and six homeless and special needs objectives for FYY 2004-2008 reflect concern with addressing the needs of low- and very low-income renters, expanding opportunities for homeownership, expanding and increasing the capacity of housing providers in the State, forging and strengthening partnerships among housing actors at all levels, reducing homelessness, and more effectively addressing the needs of populations who require supportive services. These priorities were identified through a process that examined and modified priorities included in the previous Consolidated Plan, looked to the findings of the housing needs assessment that VHDA and DHCD conducted during 2001, and provided a variety of opportunities for public input

and review through focus group session, web-based comments, and traditional hearings.

The following lists each objective for the 2004-2008 Consolidated Plan, then identifies strategies and actions that will be undertaken in the coming five years to move Virginia closer to accomplishing the listed priorities. It should be noted that priorities are not listed in rank order. Instead, these priorities, objectives, and strategies to govern the allocation of all State housing resources for the coming five years. The actions are to be implemented during this period. Actions to be implemented in the first year of the plan are identified separately in the Annual Plan. Some of the actions identified under one objective may also assist in implementing strategies under another objective.

Affordable Housing

Increasing the availability and affordability of safe, decent, and accessible housing to low and very low-income persons.

Objective A: Provide homeownership opportunities annually to a minimum of 400 low and very low-income persons including the elderly and persons with disabilities.

Priority Analysis

This objective addresses the needs of potential first-time homebuyers, including helping tenants make the transition into homeownership.

First-time homeownership opportunities are needed in Virginia. In spite of the recent housing construction boom, vacancy rates for owner-occupied units are relatively low statewide, and the cost of single-family units has continued to increase in the last few years. In addition, much of the construction of new units is concentrated in a handful of metropolitan regions of the State, which may leave fewer opportunities for potential owners in other parts of the State.

The analysis of need for first-time buyer opportunities indicates that the need is spread across the State rather than concentrated in one area. Some of the more expensive areas of the State-including specific jurisdictions, as well as entire regions (e.g., Northern Virginia)-pose particular problems for their residents. In addition, some specific populations—including single heads of households and extremely low-income renters—will find it difficult to become homeowners because the initial costs of housing have continued to mount along with rising housing values.

Although homeownership has increased among ethnic and racial minorities, there remain disparities in comparison to the overall level of

ownership—particularly at lower income levels. Racial/ethnic minorities may find it difficult to become homeowners. Key issues for such households will be rigorous implementation of fair housing law throughout the State. The following strategies address the needs of both existing and first-time homeowners that are identified above and in more detail in the needs assessment.

Strategy Implementation

Programs for first-time homeowners also must accommodate differences in costs across the State, and must seek to gain a better balance between the needs of potential buyers and the units available to them. In addition, State policy must be sensitive to needs within different areas. In urban areas, first-time homeownership may be accomplished in many cases in cooperative housing units or condominiums. In rural areas, the needs for first-time homeownership may be associated more with single-family units. The following actions will help accomplish the strategy outlined above.

Strategy: Increase the affordability of homeownership to first time homebuyers.

Strategy: Increase the availability of affordable housing units available for ownership.

Strategy: Increase the capacity of non-profit developers to produce affordable homeownership opportunities for targeted populations.
Strategy: Increase awareness of HOME-funded programs among diverse populations and the disabled.

Objective B: Increase the availability of affordable rental units by assisting with the development and financing of a minimum of 200 units each year.

Priority Analysis

As the Needs Assessment suggested, Virginia has an ongoing and clear need for affordable rental housing, including in particular accessible units, as well as for increased self-sufficiency among low- and very low-income tenants. As described in the Needs Assessment, high percentages of extremely low-income renters and other very low-income renters experience one of four housing problems (lacking complete plumbing, overcrowding and cost burden). Addressing this objective requires improving and expanding the stock of affordable units while helping renters become more able to afford housing by increasing their economic self-sufficiency.

Efforts to *expand* the rental housing stock are important. Although overall rental vacancy rates recently exceeded eight percent for Virginia, many of these vacancies may be in units that are unaffordable or are substandard. Urban areas (nine percent vacancy rate) had higher vacancy rates that rural or small metropolitan areas, despite this, the affordability of many of these units may be in question. Furthermore, given that the tightest vacancy rates prevailed among larger (three or more bedroom) rental units, particular attention must be paid to the need for larger units.

Populations with *special needs*, including elderly Virginians and those with various physical, developmental, cognitive or mental disabilities, are an increasingly important component of the overall population potentially requiring housing assistance.

Efforts to increase the *self-sufficiency* of renters and their ability to afford appropriate housing also are also an essential part of the response to this objective. Cost burden is a particularly significant problem for extremely low- and other very low-income renters, reinforcing the need for programs and policies that support economic self-sufficiency. In addition, while the percentage of people in the State in poverty has decreased, those remaining in poverty include at-risk populations such as single-parent families.

Strategy Development

Providing rental housing funding is essential to any program seeking to expand and improve the stock of affordable rental housing. As indicated in the priority analysis above, there are a wide range of needs for developing rental housing. These include making vacant units more accessible and affordable, improving the quality of existing units, and adding new units to the housing stock.

Strategy: Increase the participation of for-profit developers partnering with non-profits to produce affordable housing.

Strategy: Leverage HOME funds to increase the availability of affordable multi-family developments.

Strategy: Increase the capacity of non-profit developers to produce affordable rental housing opportunities for targeted populations.

Objective C: Provide financing and supportive services to 1,500 property owners per year to maintain their homes and/or alleviate health, accessibility and safety deficiencies

Priority Analysis

Significant number of housing units in the state continue to have serious housing deficiencies, ranging from incomplete plumbing facilities, to the presence of dangerous levels of toxic substances such as lead-based paint, to inefficient or unsafe heating systems. Lower income owners and renters may have few resources available to remedy these conditions. By providing resources to correct these conditions, Virginia can simultaneously preserve and extend the useful life of a significant portion of the state's housing inventory while upgrading safety and health conditions for the occupants.

Strategy Development

Strategy: Make available funding sources to correct immediate housing deficiencies that affect health, accessibility and safety problems and increase the energy efficiency of dwellings and the safety of heating equipment.

Strategy: Continue to reduce the level of hazard for low- and moderate-income families and individuals caused by lead-based paint by implementing the federal lead-based paint abatement grant program.

Objective D: Reduce the number of housing units that lack complete indoor plumbing by 300 units per year.

Priority Analysis

Although the number of units with substandard plumbing has decreased markedly over the previous two decades, the census reported more than 19,000 occupied units lacking complete plumbing facilities. Many of these units also have other significant deficiencies. The state legislature has identified this need as sufficiently important to appropriate funds specifically for the remediation of units lacking complete plumbing.

Strategy Development

By addressing this portion of the state's substandard housing stock, some of the most deficient housing that is capable of rehabilitation can be identified and upgraded. Combining state appropriations with other available funding sources can sustain the progress of the past two decades and result in the virtual elimination of this problem.

Strategy: Support the indoor Plumbing Rehabilitation Program and Community Development Block Grant funding for the rehabilitation of housing units lacking indoor plumbing.

Increasing the ability of communities to implement creative

responses to community-based needs.

Objective: Support the development of regional approaches and best practices for addressing affordable housing needs.

Priority Analysis

The existence of a strong network of housing providers across the State is a critical component of any comprehensive and effective housing program. However, local organizations need to be aware of effective approaches to developing affordable housing of all types before they can act. They may lack the capacity for risk, resources, or incentives to attempt new or innovative approaches that might be appropriate to their circumstances and housing needs.

Strategy Development

Overcoming local institutional or structural barriers that inhibit community based response to the need for affordable housing may require intervention by key state housing partners. By bringing information, technical assistance, and the potential for funding to support innovative local responses, DHCD and VHDA may identify opportunities community partners for future ventures.

Strategy: Establish a demonstration project fund with flexible funding requirements to foster innovative projects that meet the needs of very-low income families.

Supporting policy development and research that supports significant economic development, community development, and housing initiatives.

Objective*:* Successfully address the issue of NIMBYism in Virginia

Priority Analysis

The resources available to Virginia's primary housing agencies are limited. By reassessing the options available in the changing housing program and finance environment, Virginia may be able to refocus those resources on the areas of greatest overall need. In addition, local understanding of the nature of Virginia's housing needs and the character of the local regulatory climate, including its receptiveness to affordable housing development, may be critical factors influencing the successful attainment of the state's housing goals.

Strategy Development

Additional information is now flowing from the 2000 census. This and special tabulations being prepared by the Census Bureau for HUD should enhance knowledge of housing needs at the local and state level and local level. In addition, various studies and planning efforts underway at the state level, such as the Olmstead Task Force and the Disability Commission, as well as recommendations being developed by consultants to DHCD addressing the needs of persons with disabilities and the elderly will be available to assist in reshaping housing programs. With the pending sale of the Virginia Housing Partnership Fund, housing programs will necessarily undergo revisions to reflect the institutional roles of DHCD and VHDA.

Strategy: Support and take an active role in the development of the Housing Virginia campaign through the allocation of $5,000 of HOME funds.

Strategy: Gather the latest information on barriers to community economic development and best practices for future planning and development.

Strategy: Explore new ways to create homeownership opportunities for very low-income households.

Strategy: Update the 2001 Housing Needs Analysis to determine areas of state with largest number of sub-standard homes.

Strategy: Use the dissolving of the Virginia Housing Partnership Fund as an opportunity to develop programs directed at housing addressing priority needs.

Housing for those with Special Needs

Increasing the availability and affordability of safe and accessible housing to low and very low-income persons.

Objective A: Identify and pilot at least two additional housing options available and affordable to special needs populations requiring supportive services and document outcomes by the close of FY 2007.

Priority Analysis

This priority addresses the housing needs of populations who require some level of supportive services in addition to permanent, affordable housing. These are among the most complex populations addressed in the Consolidated Plan, partly because of the diversity of the needs and partly because of the need for coordination among many different agencies to successfully address those needs.

This Consolidated Plan identifies housing needs for six special needs populations: people with mental disabilities, elderly people, people with physical disabilities, people with developmental disabilities, substance abusers, and people with HIV/AIDS. The Needs Assessment indicates that these populations have two fundamental housing needs. First, like other Virginians, they require housing that is affordable and accessible. Second, they need services to be linked to that housing in a flexible manner that accommodates varying levels of need without rigidly requiring that the housing unit and a specific set of supportive services are fused.

Persons with disabilities and other populations with specialized needs, like other groups, may require assistance with initial housing costs (such as security deposits), rental assistance, locating affordable housing, and modifying housing units to make them more accessible. Many of the groups identified in the preceding paragraph have lower incomes. In this case, their housing needs are not necessarily different from those of other lower-income households.

Some within these populations may also require flexible, community-based services that can be provided within single units or in-group settings, such as congregate housing developments or group homes. Others simply need to have housing in locations that are accessible to freestanding supportive services. A key characteristic of services provision should be flexibility, so that services can accommodate the needs of a given individual or families as those change over time. This has become particularly significant in the area of housing for the elderly, where the ability to adapt to the changing needs of the populace (aging in place) is one of the key challenges for affordable, assisted living.

In general, it can usually be assumed that a larger proportion of needed services are available in urban areas, and that special needs populations in rural areas may face greater difficulties with respect to transportation, access to key services, and the overall quality and accessibility of the housing they occupy.

Emergency housing continues to present challenges for persons living with HIV or AIDS. Compared to suburban and urban counterparts, homeless shelters are not as readily accessible in rural areas and those programs available are frequently open only to targeted homeless populations, such as victims of domestic violence or those with a physical or mental handicap. In addition, consumers cannot satisfy programming requirements for employment and/or job training.

Housing needs of persons living with HIV or AIDS often mirror those of the disabled population. Consumers desire to live within close proximity of their primary medical provider and their support network of family and friends and reside in housing which allows them to maintain maximum independence with access to community supports as needed. Tenants may require accessible

dwellings, yet cannot locate such units, or afford to construct ramps or interior modifications.

Similarly, in the predominantly rural areas of the state HOPWA program, persons living with HIV and AIDS encounter the same housing deficiencies as other rural residents. Consumers frequently experience substandard housing conditions, such as lack of indoor plumbing, inadequate heating and cooling, faulty electrical systems and weakened floors or roofs that exacerbate their health conditions. Without sufficient financial resources, consumers accept these inferior units and other unconventional housing situations, such doubling-up with acquaintances and renting couches, because they are affordable.

Consumers receiving SSI are frequently rent burdened, paying upwards of 80% of their income on housing expenses, particularly in high housing cost areas. In addition, subsidized housing programs are closed with waiting lists in excess of three years. Tenant-based rental assistance through the HOPWA program is often the only immediate option for permanent housing stability. Still, administrators have encountered difficulty in identifying landlords in the respective service areas willing to work with housing subsidy programs due to the stigma arising from past-subsidized housing experiences, conformance with Housing Quality Standards (HQS) inspections and confusion concerning administrative requirements. Finally, because of the substance abuse histories of some consumers, housing should be located in neighborhoods where with crime and drug trafficking could encourage substance abuse setbacks.

To assist consumers with residential stability, service providers must complement housing advocacy with supportive services. Some of the supportive services needs of persons living with HIV or AIDS are: case management, including life skills training, budgeting and/or credit counseling; transportation assistance through bus or taxi vouchers, support groups and social activities, legal advocacy, landlord-tenant advocacy, food pantries, substance abuse treatment/intervention programs, and guidance accessing entitlement programs for which they may qualify.

By updating the Statewide HIV/AIDS Housing Needs Assessment and Plan, the Department will have a clearer indication of statewide needs, and therefore evidence for altering funding priorities.

Strategy Development

As the preceding analysis and the needs assessment suggest, bringing appropriate housing together with appropriate services is an important consideration for many populations.

Strategy: Educate providers dealing with special populations on non-development methods for accessing rental housing.

Strategy: Contract with two community-based programs to provide tenant-based and/or project-based rental assistance to 40 chronically homeless adults by 2007.

Strategy: Increase the housing stock accessible to homeless individuals and families.

Objective B: Insure that 23,000 homeless persons receive services that result in at least 35 percent moving from homelessness into transitional or permanent affordable housing.

Priority Analysis

In spite of the increase in the number and percentage of homeowners in Virginia and other favorable trends in housing quality and availability, homelessness remains a serious problem in Virginia. The estimate in this Consolidated Plan is that at least 43,000 people were homeless in Virginia.[1] While shelters funded by the state and others not receiving state funding provided facilities that served approximately 80 percent of these, over 5,000 persons remain unsheltered at any given time.

The possibility of becoming or remaining homeless exists for many Virginians. Excessive housing cost burdens may place people at risk because of the increased probability that they may fall behind in rent or mortgage payments. Some populations may be at greater risk of becoming homeless when compared with the general population. The loss of affordable rental units through the expiration of existing Section 8 contracts and the conversion of some properties to market rates may also affect the risk of homelessness. Overcrowding may also be masking homelessness or potential homelessness. Finally, people with special needs, such as mental illness, face risks due to the decline in affordable housing and increasing competition over scarce resources.

For the purposes of this analysis, someone who is at-risk may:

- Have experienced chronic and continuing housing displacement.
- Are threatened with imminent loss of housing or eviction from their home or from overcrowded or doubled-up housing and have no other resources or supports available.
- Are being discharged from a psychiatric hospital and were homeless upon admission and have no other housing resources or supports available at discharge.

[1] This estimate is based on information developed for the 1999 Report to the House Appropriations and Senate Finance Committees, Commonwealth of Virginia Fiscal Year 1998 Homeless Programs prepared by DHCD.

Persons with Mental Disabilities, Mental Retardation or Substance Abuse Problems: The Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) estimated that between 12,000 and 20,000 adults with serious mental illness are at risk of being homeless. Mental health service providers in urban areas served over 4,000 such persons in the DMHMRSAS Projects for Assistance in the Transition from Homelessness (PATH) program in fiscal year 1996. These providers estimate that of the 3.2 million Virginians in their service areas, there are some 15,635 adults with serious mental illness who experience homelessness at some point over the course of a year.[2]

These estimates concur with other studies that show that between 5% and 8.4% of adults with serious mental illness become homeless each year.[3] There are an estimated 240, adults with serious mental illness in Virginia and, applying these prevalence rates, between 12,0 and 20, are at risk of homelessness.

Persons Living in Overcrowded Housing: Doubling-up can be viewed as a symptom of housing instability. In doubled-up conditions, housing expenses are shared, often disproportionately, between a host family and a guest family. For the most part, it is a method of temporarily coping with housing and/or financial instability. Doubling-up can result in increased vulnerability to housing displacement and, ultimately, homelessness.

The number of families living in doubled-up households increased by 89.4% between the years of 1980 and 1990. However, the 2000 census estimated an increase in the total number of subfamilies to 66,549, their overall share of family households actually declined for the decade, suggesting some improvement in this category through 2000. The ratio of guest families to family households declined from the 1990 peak of 4% of families, or (63,158 families), who were doubled up that year.

Estimates Based On Poverty Data - In 1999, almost 297,002 persons in Virginia had annual incomes that were less than half of the poverty level for that year (U.S. Census Bureau, 2000). This represents 45.1 % of Virginia's 1999 poverty level population (656,641). In Virginia, as in every other state, more than minimum wage is required to afford the rent for a one or two bedroom apartment at the prevailing FMR.

Low income renters in Virginia generally experience a higher rate (70 to 80%) of housing problems--including overcrowding, incomplete plumbing, and excessive rent burdens.[4] Families with children represented 43 percent of households with

[2] DMHMRSAS. Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services. 1997.

[3] Culhane, et al. Rate of Public Shelter Admission Among Medicaid-Reimbursed Users of Behavioral Health Services, Psychiatric Services, vol. 48, no. 3 March, 1997; Task Force on Homelessness and Severe Mental Illness 1992.

[4] Koebel, & Rives, Poor Families in Poor Housing:

worst case housing needs, those renters whose incomes fall below 50% of the area median income who have become involuntarily displaced, pay more than half of their income for rent and utilities, or live in substandard housing[5]. The combination of poor housing, marginal income, and high rent burdens increases the risk of homelessness for Virginia's poorest citizens.

Addressing the needs of the chronically homeless requires approaches beyond those already associated with the state's activities that ameliorate or prevent homelessness.

Strategy Development

As the above analysis indicated and as the Needs Assessment suggested, there is a chronically homeless segment of the population receiving homelessness assistance. One common issue for may be poverty. Given difficulties that special needs populations may have in finding and retaining employment, as well as the demands placed on their incomes by requirements for services, their disposable incomes tend to be lower than those of the population as a whole. This factor emphasizes their need for affordable housing that remains affordable over a long period. The following strategies will be employed to better coordinate housing resources with services and to generally expand the stock of affordable, accessible housing that can help address chronic homelessness.

Strategy: Leverage Emergency Shelter Grant funding with state and other federal funds to insure safe and supportive housing and the availability of shelter beds for homeless individuals and families.

Objective C: Insure safe and affordable housing with supportive services is available to low-income persons with HIV/AIDS and their families.

Strategy: Insure that project sponsors receive maximum allowable payments for housing and supportive services provided.

Increasing the ability of communities to implement creative responses to community-based needs.

Objective A: Maximize the use of federal resources for homeless programs by insuring statewide coverage by continuums of care.

[5] U.S. Dept. of Housing and Urban Development. Rental Housing Assistance at a Crossroads: A Report to Congress on Worst Case Housing Needs. Office of Policy Development and Research. 1996.

Priority Analysis

Given the scope of Virginia's homelessness, all levels of government and non-profit entities need to maximize the efficient use of available resources. In the recent past the Continuum of Care Planning Effort has not incorporated every jurisdiction, resulting in a less than comprehensive approach to the problem. By providing financial and technical support to expand the Continuum of Care, DHCD will enable locally-based homeless shelter providers to gain access to all available federal homeless funds and possibly coordinate the use of some resources.

Transitional housing offers homeless people the opportunity of longer-term shelters and services to help them transition to self-sufficiency. The high levels of families with children among the homeless population, as well as the indications of special needs populations, indicate the need for expansion of transitional housing facilities.

Permanent housing options for people who were homeless are a final step in the needed continuum of care for homeless people. People become homeless for a variety of reasons, including unemployment, eviction, illness, or disability. Further, their experience with homelessness may leave them more vulnerable to problems in the future. Therefore, permanent housing resources should stress housing affordability, appropriate settings (e.g., single room occupancy units for individuals) and a careful transition into permanent housing from transitional housing or homelessness.

Strategy Development

DHCD's administration of ESG and other funds related to homeless services has provided an important financial component of local shelter operations. However, given the persistence of homelessness and the relatively static federal and state funding picture, broadening Continuum of Care participation provides the most immediate prospect for maximizing the use of federal resources and assuring a more consistent and coordinated response to the needs of the homeless statewide.

Increasing the linkages between providers of homeless services and organizations that specialize in developing permanent housing solutions can identify opportunities to match permanent housing resources to expanding needs.

Strategy: Use HOME administrative funds to ensure participation of every jurisdiction in Virginia in a Continuum of Care planning effort.

Strategy: Encourage the coordination of services and programs for populations in need.

Support policy development and research related to significant economic development, community development, and housing issues.

Objective A: End homelessness by the year 2013.

Priority Analysis

Virginia has not developed a comprehensive approach to ending instead of simply responding to the level of homelessness prevailing within the state. Advancing beyond this position will require a long-term effort and the cooperation of state, federal, and local partners.

Strategy Development

DHCD can begin the process by determining the essential elements of a ten-year plan and vetting them with potentially affected individuals and organizations.

> **Strategy:** Develop and implement a statewide strategic 10-year plan to minimize the number of persons becoming homeless and reduce the duration of incidents of homelessness by June 30, 2003.

Objective B: Address non-metropolitan (rural) homelessness more effectively.

Priority Analysis

The 2001 Rural Homeless Survey noted the prevalence of homelessness in rural Virginia. The report concluded that a minority—10 to 15 percent of the total—rural homeless are actually served by homeless shelters. In part, this reflects the absence of most shelter facilities, except for domestic violence shelters, from the rural portions of the Commonwealth. The report documented the primary factors contributing to rural homelessness, including a lack of affordable housing options. Successfully addressing this component of Virginia's homeless problem will depend on increasing both the number of housing providers across the state and their capacity to deliver housing products that are appropriate to the needs of rural communities.

Strategy Development

By offering a pilot program specifically tailored to the needs of rural Virginia, DHCD can test the effectiveness of programs focused on a sometimes-overlooked population with significant housing needs.

Strategy: Use ESG essential services and prevention categories for a pilot project in non-metropolitan jurisdictions, emphasizing housing and prevention and essential services necessary to maintain housing.

To ensure that strategies identified throughout this plan for homelessness and populations in need of supportive services are accomplished, it will be critical for DHCD to continue and strengthen relationships with other State agencies, including DMHMRSAS, DSS, and VDA. One avenue for such coordination is through the Virginia Inter Action Council for the Homeless (VIACH). By working directly with these and other relevant agencies at the state, regional, and local level, DHCD can more clearly identify emerging areas of need and participate in developing effective program designs and more completely integrate systems for the provision of housing and essential supportive services.

Although coordination with State agencies can improve the design of housing programs and policies, ensuring that the needs of various populations are addressed, the State also must explore opportunities for new partnerships with entities at the regional and local levels.

D. Community Development Housing Priority

Assisting the conservation and improvement of housing conditions.

Use CDBG program funds to provide financial and technical support for housing rehabilitation to result in reducing substandard housing conditions, conserving local housing stocks, stabilizing declining neighborhoods, promoting homeownership options, improving standards of living, and enhancing the attractiveness of the community.

Provide financial and technical support for the acquisition and improvement of sites and/or facilities for low- and moderate-income housing to result in reducing the number of Virginia citizens in substandard housing, increasing the supply of housing, improving local standards of living, expanding housing opportunities, improving the quality of public facilities serving low- and moderate-income housing, and providing or improving basic public facilities serving low- and moderate-income housing.

Administer state appropriated and federal funds for housing rehabilitation activities, including indoor plumbing rehabilitation, across the entire state. The needs assessment, 1990 CHAS data, and the 2000

census all document the existence of housing with a variety of deficiencies. Both CDBG grants to localities and the administration of indoor plumbing rehabilitation funds address part of the need for the rehabilitation of existing housing.

E. Nonhousing Community Development Plan

The Virginia Community Development Block Grant (CDBG) Program, which DHCD has administered since 1982, uses funds made available by the U.S. Department of Housing and Urban Development to provide assistance to eligible units of local government to address their critical community development needs for housing, infrastructure, and economic development. This section of the Plan discusses the State's priority nonhousing needs and describes the State's long and short-term community development objectives.

The overall goal of the programs included in the Consolidated Plan "is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities primarily for low- and moderate-income persons." To meet the federal goal and address Virginia's own areas of need, the State CDBG program works to improve "the economic and physical environment in Virginia's communities through implementation of activities which primarily benefit low- and moderate-income persons, prevent or eliminate slums and blighting conditions, or meet urgent needs which threaten the welfare of citizens." The State program does this by awarding competitive and noncompetitive planning grants and four types of Community Improvement Grants (CIG): Competitive Grants, Community Development Innovation Fund Grants, Community Economic Improvement Fund Grants, and Urgent Need Open Submission Grants. Listed below are the five primary types of projects within the competitive CIG portion of the program. Together, they encompass the various priority needs identified in the Plan.

- Comprehensive Community Development
- Economic Development
- Housing
- Community Facility
- Community Service Facility

The Department used a variety of sources to help identify the extent of need in the eligible program areas. Besides demographic and economic indicators available from the Census and other sources, the Department considers information gathered from state agencies, regional planning district commissions, and private nonprofit or for-profit entities interested in community development. DHCD receives more insight into the current community development needs of nonentitlement counties, cities, and towns through public hearings, program design workshops, surveys, and the competitive nature of the program itself.

Community Facilities

In many eligible communities, facilities such as water supply, drainage, and sanitary sewerage systems are either inadequate or absent. These deficiencies have obvious potential consequences for public health and safety, but they may also impair the community's ability to compete effectively for economic development or achieve other important community development goals.

Water supply remains a major area of concern. In rural Virginia, low-density settlement patterns complicate efforts to develop traditional public supply systems. In some areas, existing systems are small and lack the resources to initiate more effective regional approaches to the provision of water. The extended and widespread drought at the beginning of the decade, the effects of mining and resource extraction, and declining water quality add to the urgency of need in many of these areas. Newly developing areas may require additional source, treatment, and storage capacity, while deteriorating older systems may need the replacement or upgrading of existing infrastructure.

Different sources provide varying estimates of the level of need. A 1988 Virginia Water Project [now Southeast Rural Community Assistance Project, Inc.] study of water and wastewater needs for every county in the state projected the total need for on-site facilities at approximately $520 million in current dollars. The most recent Environmental Protection Agency (EPA) Drinking Water Infrastructure Needs Survey assessed three aspects of public and private water supply systems needs in relation to the Safe Drinking Water Act (SDWA). Total need, which includes current and future infrastructure needs amounted to $2.055 billion. Current needs required to protect public health totaled $1.202 billion. Current SDWA needs--the portion of current needs necessary to attain compliance with current SDWA regulations—stood at $325.4 million. Water transmission facilities ($609.8 million) represented about half of the current needs; water treatment requirements ($362.5 million) accounted for more than one-quarter of the total. Future needs were weighted much more heavily toward meeting possible future SDWA water treatment regulations and rules. Small systems, such as those served by the CDBG program, accounted for less than one-third of the total needs EPA estimated for Virginia.[6] Even with their limitations, these varied estimates confirm the generally high ranking that local and regional entities assign to this category of need.

With the continuing growth of the state's population, the demand upon ground water resources has emerged as another aspect of the water supply question. With surface water usage largely confined to metropolitan or municipal systems of varying size, most rural areas and some small cities depend upon ground water. Wells have become a significant source of potable water for the

[6] United States Environmental Protection Agency, "Drinking Water Infrastructure Needs Survey—Second Report to Congress" [February 2001], Exhibits B-1, B-2, and B-3.

majority of households in rural counties and for lower cost owner occupied housing. The use of individual wells is also highly correlated with the use of septic tanks and drain fields for the disposal of wastewater. The severity of the recent extended drought led not only to statewide limitations on the use of water from all sources but also the creation of a dry well program to provide a source of funds for qualified households in eligible localities seeking assistance in drilling replacement wells.

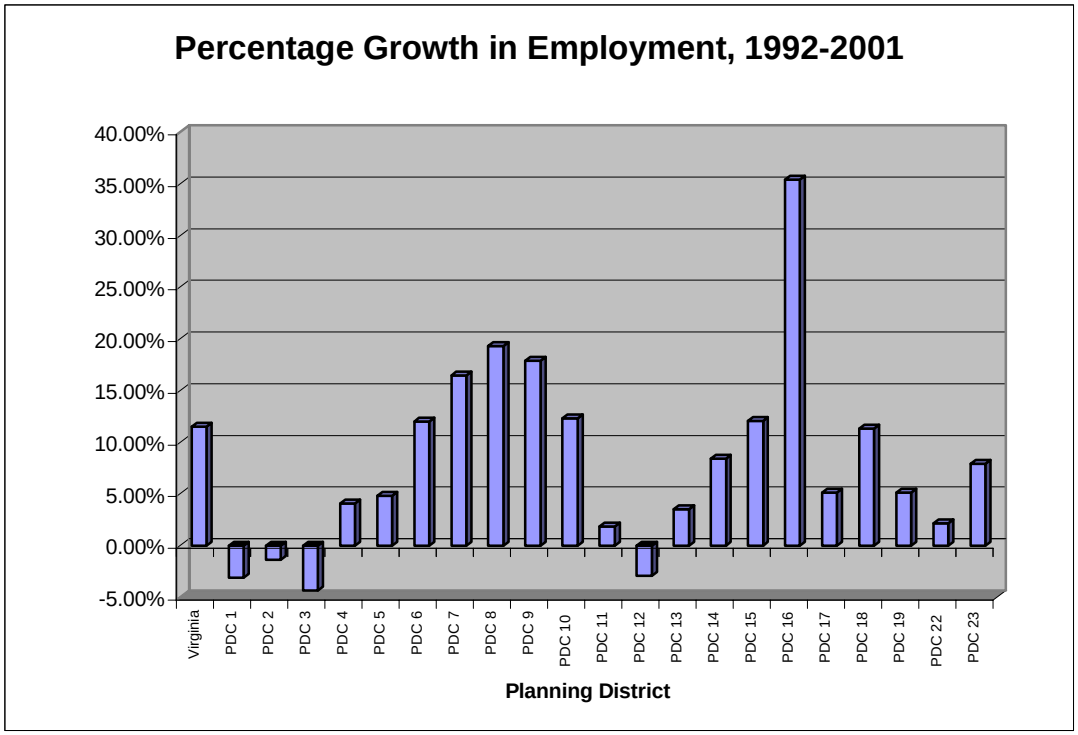
Given the persistent need for water supply improvements, it is not surprising that providing for sewage collection and treatment is the next most significant area of concern for public facilities. Again, as with water supply systems, providing sewerage in low-density rural areas may be highly expensive, and many smaller and older urban systems require significant improvements to maintain their ability to provide the necessary level of treatment or comply with requirements that are more stringent. In 1992, the state Department of Environmental Quality (DEQ) estimated a potential need for $2.0 a billion investment to meet all wastewater needs through 2000. By 1992, the estimated cost had escalated to $4.3 billion. This included $330.3 million for new treatment plants, $1.7 billion for the expansion and upgrading of existing plants, $1.05 billion for new lines and pump stations, $567.3 million for the rehabilitation of existing lines and pump stations, $473.9 million for correcting combined sewer overflow (CSO) problems, and $237.7 million to control or mitigate storm water discharges. The 1996 follow-up Clean Water Needs Survey compiled by the federal Environmental Protection Agency (EPA) reported the documented and modeled need for publicly owned wastewater treatment facilities required to meet the Clean Water Act through 2016 as $4.311 billion. This included $1.8 billion for expanding and upgrading the level of treatment at existing plants, $1.09 billion for new sewers and interceptors, $556 million to correct combined sewer overflow (CSO) problems, $315 million to correct infiltration and replace or rehabilitate sewers, and $163 million to mitigate or control storm water discharges. A significant proportion of the documented need was located in smaller facilities serving communities with populations under 10,000—precisely those communities with the least capacity to address costly infrastructure needs.[7]

Financing these needs entirely with local resources, particularly in smaller CDBG eligible communities is simply not feasible. Only by combining financing available for these facilities available from the Rural Utilities Service of USDA, CDBG, the Virginia Water Project, the Virginia Resources Authority, and the Appalachian Regional Commission (ARC) is it possible to finance this infrastructure. Even with the use of significant matching resources, many localities are severely challenged.

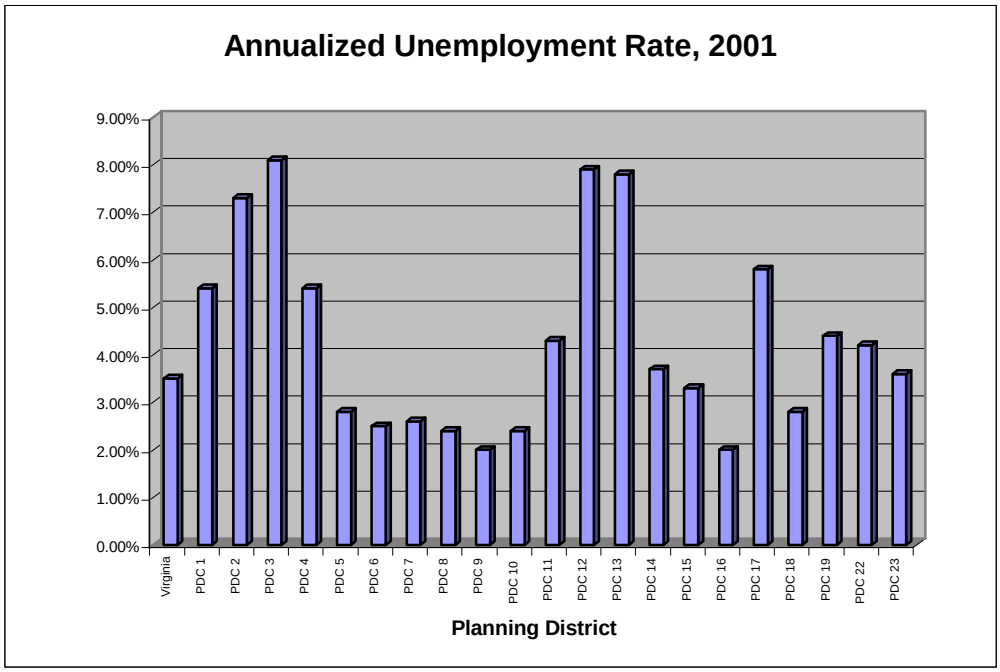
[7] U.S. Environmental Protection Agency, 1996 Clean Water Needs Survey Report to Congress (Washington, 1997), Tables A-1, A-2, and A-6. EPA is expected to submit a new report updating this information to the Congress in June 2003.

Economic Development

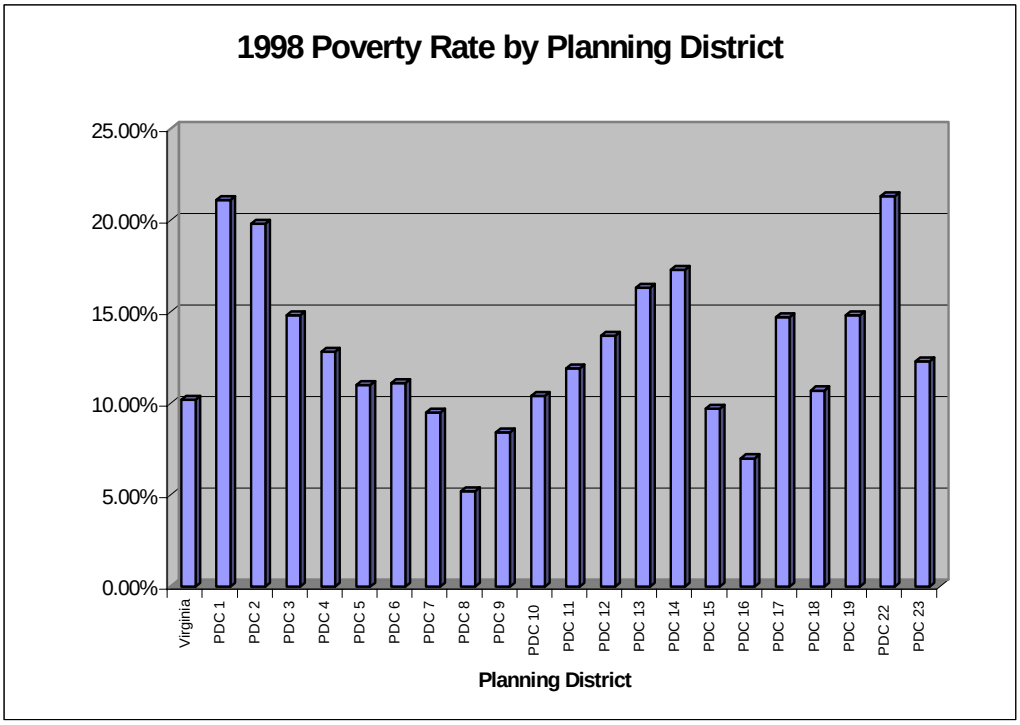
Although economic growth, higher levels of employment, and new or enhanced investment characterized much of the past decade, not all regions of the state shared equally in these generally favorable trends. The economic downturn that marked the beginning of the current decade exacerbated many of these problems as manufacturing employment, particularly in the textile, apparel, and furniture sectors shrank—often dramatically in some communities. According to the Virginia Employment Commission, total statewide employment increased by 11.5 percent between 1992 and 2001. As the following chart indicates, seven planning districts outperformed the state average, one nearly matched it, and thirteen did not. The most rapid growth in employment occurred in the northern Shenandoah Valley, Fredericksburg and the northern Piedmont, Northern Virginia, and the Richmond metropolitan area. All of these areas also experienced strong population growth during the decade. Several regions stood in sharp contrast, experiencing almost modest employment growth and in four cases an actual decline in total employment based on averages over the decade. The most severely affected regions included the southwestern part of the state and the southwestern Piedmont. Collectively, in Planning Districts 1,2,3, and 12, which are adjacent, employment fell by over three percent between 1992 and 2001, reflecting declines in textiles, furniture making, and other industries. Many individual localities within these regions were even more seriously affected.



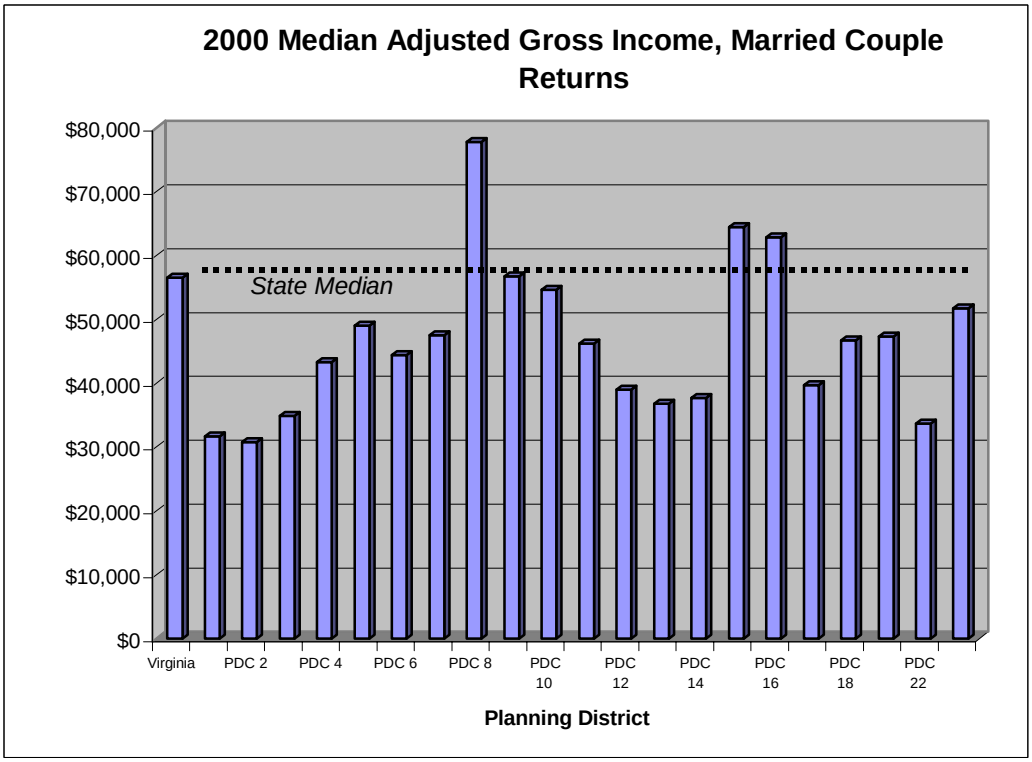
These regional differences may be viewed from a different perspective. When unemployment rates fell across the Commonwealth as the economy recovered from the brief, but sharp recession of 1991, the pattern of the recovery was highly uneven. When the economy entered a recession in March 2001, the same uneven pattern persisted. Although no region was exempt from the effects of recession, weak financial markets, the effects of the terrorist attack on September 11, 2001, and other negative economic forces hit some areas of Virginia with particular force. Annualized data from 2001 shows that the highest regional unemployment rates in the Commonwealth were over 2.5 times the state average and over four times the lowest regional rate. The pattern shown on the following chart effectively inverts the picture of employment growth shown above, reinforcing the perception that additional economic development is essential to bringing these regions and their constituent localities more closely in line with the overall state pattern.



These employment trends are reflected in other important community indicators. Higher poverty rates and relatively lower median incomes also mark many of these same areas. As the following charts indicate, poverty rates and in slower growing, higher unemployment regions are generally significantly higher than those in the high growth areas and well above the 1998 state average of 10.2 percent for all persons.



Similarly, the median adjusted gross income for married couples filing state tax returns in these regions are well below the state median as well as the median for most metropolitan areas.



Because they lack critically needed infrastructure or services, some local governments in the nonentitlement portions of the state lack the capacity to respond effectively to industrial development opportunities that would bring additional jobs and income. Extensive off-site infrastructure improvements, such as water or sewer service extensions, may be required to serve prospective industrial sites in rural areas. In more urban settings, the capacity of existing systems may need to be expanded to facilitate new development or the expansion of an existing economic activity. In still other cases, the development of new industrial sites may be the priority need.

The state's recently adopted economic development strategic plan, *One Virginia, One Future*, explicitly recognized the significance of local and regional disparities on the future prosperity of all Virginians. Several policies included in the plan's recommendations would provide economically distressed communities with more capacity to compete for future economic opportunities. These concerns and proposals parallel the approach used in administering economic development activities supported with CDBG program funds.

DHCD has recognized these needs by establishing a separate category of grants, the Community Economic Development Fund (CED) to promote economic development targeted toward creating employment opportunities for low- and moderate-income persons. With $4,000,000 available under the CEI Fund for individual grants of up to $700,000 per project, these open application grants will provide assistance to projects involving employment creation by private, for-profit basic industries. The assistance may include off-site improvements such as water lines, sewer lines, roads, and drainage. On-site assistance may be eligible in some projects, but these projects are subject to underwriting.

The nature of the financial assistance available under the CED Fund varies according to the economic strength of the applicant locality. The threshold criteria reflect the indicators of economic distress discussed above, including poverty, income levels, and unemployment rates.

Other identified areas of economic need include entrepreneurship development, enhancement of the local economic environment, and increasing the development readiness of a community. Aside from the CED fund, Community Improvement Grants are available to respond to locally identified needs for access to capital (including assistance for qualifying microenterprises), technical or managerial assistance programs for businesses, support for technology transfers, and assistance for entrepreneurial education, training, and networking.

Both urban and rural nonentitlement areas within the state have special needs for assistance to overcome conditions in the local economic environment that retard their efforts to address lagging economies. Slum properties and other blighting conditions within downtown or commercial areas hinder the ability of

these areas to compete successfully for trade and investment. In other cases, previous uses may have rendered sites unmarketable or unusable by leaving behind contaminants affecting the immediate area and even places beyond their boundaries. By addressing these circumstances, localities can eliminate hazardous or blighting conditions and halt disinvestment.

Comprehensive Community Development

Some rural and urban communities have multiple needs not easily addressed by single-purpose grant or loan programs. These needs include such areas as housing, water, sewer, streets, drainage, sidewalks, solid waste/garbage, debris removal, street lighting, recreation, police protection, fire protection, and other neighborhood-specific items. The cumulative impact of such problems deters investment in the community and tends to feed a self-reinforcing downward spiral in the overall quality of community life.

By permitting communities to address all of a community's housing and infrastructure needs simultaneously, the comprehensive community development has a better chance of succeeding in these complex and difficult settings. Thus, these grants take on aspects of individual components of the program, often combining, for example, housing rehabilitation with water and sewer line extensions or improvements.

Community Service Facilities

Recently, communities have increasingly expressed an interest in enhancing not only such physical infrastructure facilities for such municipal services as water, sewers, drainage, and streets, but also for human services infrastructure. These may take the form of facilities providing a setting for services to the disabled, the elderly, the homeless or potentially homeless, and other disadvantaged populations. In addition, some communities expressed the need for other facilities providing for day care, recreation, or community centers serving low- and moderate-income populations as distinct from disadvantaged populations. By establishing a separate category for these facilities, the CDBG program can distinguish between very distinct types of community facilities.

Housing

Many of the housing needs of CDBG-eligible communities parallel those already discussed for the state as a whole. However, because the communities eligible for assistance through the state program are predominantly rural or smaller urban centers, they have some distinct characteristics. Although many rural areas actually have higher levels of home ownership than the state as a whole, this housing also tends to be older than that found in metropolitan Virginia is. Locations with higher percentages of substandard homes are often also places where economic development has lagged. New housing is less likely to

be constructed in these areas and fewer individual or local resources are available to upgrade existing substandard units. A significant percentage of the state's diminishing inventory of homes remaining without complete plumbing facilities may also be found in these same areas.

In the mountainous areas of the state, the terrain adversely affects the cost of housing. Only limited areas of relatively easy to develop sites are present. Geology and soil limitations affect the availability of water and possibility of on-site sewage disposal in both mountainous and coastal areas. Development costs that are relatively high in comparison to area incomes also limit possible housing options. This latter fact may account in part for the importance of manufactured housing in the housing markets of Southwestern and Southside Virginia.

Analysis of Needs

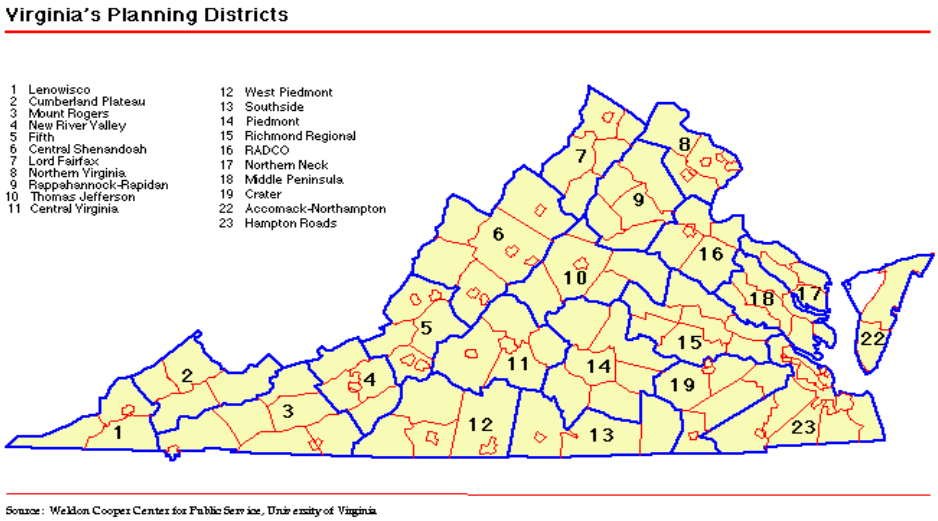
DHCD has worked closely with Virginia's 21 Planning District Commissions in assessing local community development needs and in establishing regional priorities among the Competitive Grant project types and activity categories. In the past, the PDCs helped develop estimates of the cost associated with the entire range of local needs that continue to form a basis for planning efforts. These base line costs continue to help establish the relative scale of overall community development needs. In recent years, the PDCs have been asked to take an active role in establishing the relative priorities for project types and activities for competitive grants within their region. Rather than establish a single set of priorities for the entire state, this approach permits substate regions to have more influence on the selection of projects that best address local and regional needs. In each case, the PDCs were asked to rank nine possible grant categories among three priority classes. These relative priorities could then be used to evaluate individual projects competing for program funds.

PDC	Relative Regional Priority Rankings for CDBG Categories[8]								
	Priority Tier I			Priority Tier II			Priority Tier III		
1	CF	ED-ECONOMIC ENVIRONMENT	HOUSING-PRODUCTION	HOUSING-REHAB	CSF	ED-JOBS	ED-ENTREPRENEURSHIP	ED-READINESS	COMPREHENSIVE
2	CF	HOUSING-REHAB	COMPREHENSIVE	ED-JOBS	ED-READINESS	ED-ECONOMIC ENVIRONMENT	ED-ENTREPRENEURSHIP	CSF	HOUSING-PRODUCTION
3	CF	ED-JOB CREATION	COMPREHENSIVE	CSF	ED-ENVIRONMENT	HOUSING-REHAB	ED-ENTREPRENEURSHIP	ED-READINESS	HOUSING-PRODUCTION
4	ED-ENVIRONMENT	CF	COMPREHENSIVE	HOUSING-REHAB	ED-JOBS	HOUSING-PRODUCTION	CSF	ED-READINESS	ED-ENTREPRENEURSHIP
5	ED-ENVIRONMENT	ED-READINESS	HOUSING-REHAB	CF	COMPREHENSIVE	ED-JOBS	ED-ENTREPRENEURSHIP	CSF	HOUSING-PRODUCTION
6	ED-JOBS	HOUSING-PRODUCTION	CSF	ED-ENVIRONMENT	HOUSING-REHAB	CF	COMPREHENSIVE	ED-ENTREPRENEURSHIP	ED-READINESS

[8] COMPREHENSIVE=Comprehensive Community Development; CF=Community Facilities; CSF= Community Service Facilities; ED-JOBS=Job Creation and Retention; ED-ENVIRONMENT=Economic Environment Enhancement; ED-READINESS=Development Readiness; ED-ENTREPRENEURSHIP=Entrepreneurship Development.

PDC	Relative Regional Priority Rankings for CDBG Categories[8]								
	Priority Tier I			Priority Tier II			Priority Tier III		
7	ED-JOBS	HOUSING-REHAB	CSF	ED-ENVIRONMENT	CF	COMPREHENSIVE	ED-ENTREPRENEUR SHIP	ED-READINESS	HOUSING-PRODUCTION
8	N/A								
9	ED-ENVIRONMENT	CF	ED-JOBS	HOUSING-REHAB	ED-ENTREPRENEUR SHIP	HOUSING-PRODUCTION	COMPREHENSIVE	ED-READINESS	CSF
10	ED-JOBS	CSF	COMPREHENSIVE	ED-READINESS	HOUSING-REHAB	HOUSING-PRODUCTION	ED-ENTREPRENEUR SHIP	ED-ENVIRONMENT	CF
11	COMPREHENSIVE	ED-JOBS	CF	HOUSING-REHAB	ED-READINESS	ED-ENTREPRENEUR SHIP	CSF	HOUSING-PRODUCTION	ED-ENVIRONMENT
12*	COMPREHENSIVE	ED-JOBS	HOUSING-PRODUCTION	ED-ENVIRONMENT	HOUSING-REHAB	ED-READINESS	CF	CSF	ED-ENTREPRENEUR SHIP
13	COMPREHENSIVE	ED-ENVIRONMENT	CSF	CF	HOUSING-REHAB	ED-JOBS	ED-READINESS	ED-ENTREPRENEUR SHIP	HOUSING-PRODUCTION
14	COMPREHENSIVE	HOUSING-REHAB	CF	ED-JOBS	ED-ENVIRONMENT	ED-READINESS	CSF SHIP	ED-ENTREPRENEUR	HOUSING-PRODUCTION
15	COMPREHENSIVE	ED-READINESS	CF	ED-JOBS	HOUSING-REHAB	ED-ENTREPRENEUR SHIP	CSF	ED-ENVIRONMENT	HOUSING-PRODUCTION
16	ED-JOBS	HOUSING-PRODUCTION	CF	ED-ENVIRONMENT	CSF	COMPREHENSIVE	ED-READINESS	HOUSING-REHAB	ED-ENTREPRENEUR SHIP
17	ED-JOBS E	ED-ENTREPRENEUR SHIP	ED-ENVIRONMENT	COMPREHENSIVE	HOUSING-REHAB	ED-READINESS	CF	CSF	HOUSING-PRODUCTION
18	COMPREHENSIVE	ED-ENVIRONMENT	HOUSING-PRODUCTION	ED-JOBS	HOUSING-REHAB	CF	ED-ENTREPRENEUR SHIP	CSF	ED-READINESS
19	HOUSING-REHAB	COMPREHENSIVE	CF	ED-READINESS	ED-ENTREPRENEUR SHIP	ED-ENVIRONMENT	CSF	HOUSING-PRODUCTION	ED-JOBS
22*	ED-ENVIRONMENT	COMPREHENSIVE	HOUSING-REHAB	CF	HOUSING-PRODUCTION	ED-JOBS	CSF	ED-ENTREPRENEUR SHIP	ED-READINESS
23	COMPREHENSIVE	HOUSING-PRODUCTION	HOUSING-REHAB	ED-ENVIRONMENT	ED-JOBS	CF	ED-READINESS	ED-ENTREPRENEUR SHIP	CSF

*PDC 12 and PDC 22 had not updated their priority lists by the time this chart was prepared.

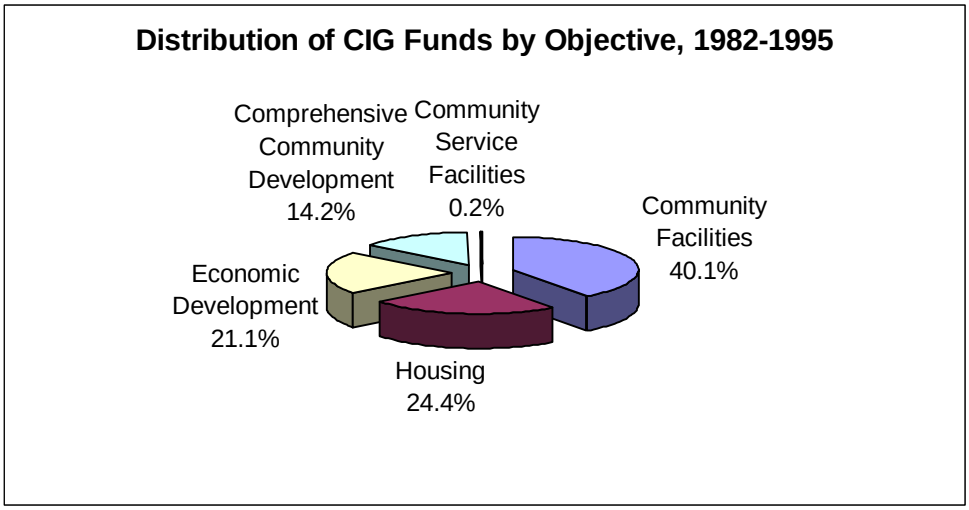


The outcome of this process demonstrated the variety of needs and distinctiveness of the various substate areas. At the same time, the overall

pattern of priorities for fund distribution did not differ radically from previous experiences, suggesting that this approach can increase the effectiveness of the program without changing its general structure.

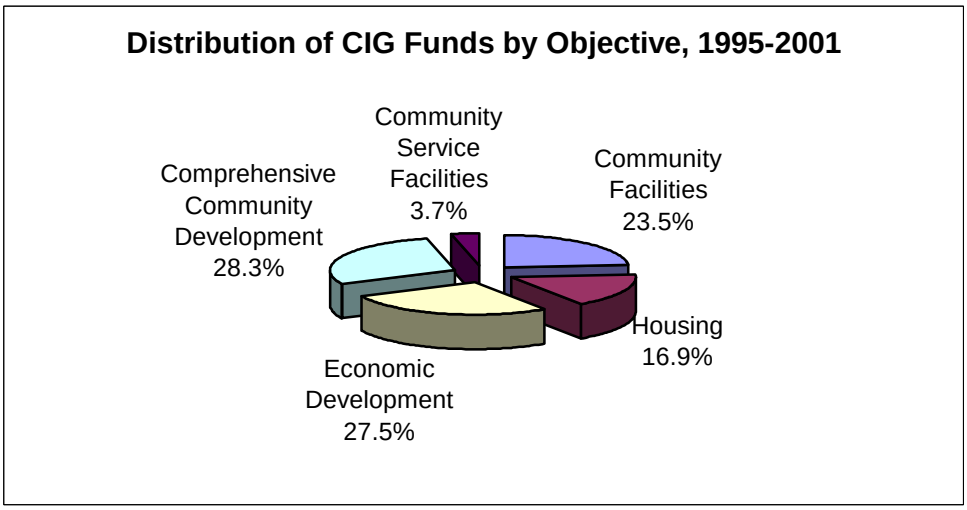
Recent Use of Program Funds

From 1992 through 1995, DHCD distributed CIG program funds in the manner shown on the accompanying chart. Water and sewer facilities, housing rehabilitation projects, and economic development projects accounted for the



bulk of the funds.

Since 1995, the inclusion of more community services facility projects, more comprehensive community development proposals (often including housing activities and community facilities elements), and more economic development projects have shifted the distribution of funds among objectives. However, the same basic functions continue to account for over 90 percent of competitive project allocations. The 2001 CIG funding pattern reflected the trend toward the use of more comprehensive grants, which may include housing, economic development, or community facilities elements in a single package. In 2001, Housing received 13.3 percent, Comprehensive 40.8 percent, Community Facilities 23.5 percent, Community Services 3.7 percent, and Economic Development 27.5 percent.



Priorities

Based on the results of its survey of Planning District Commissions, its review of recent funding requests, and comments from participants in agency workshops, the Commonwealth of Virginia has adopted the following Goal, Objectives, and Strategies to guide its overall investment of CDBG funds. The overall rating of priorities by the PDCs suggested that comprehensive community development, economic development for job creation and retention, housing rehabilitation, and community facilities ranked highest, although the differences were marginal. Economic development for entrepreneurship ranked lowest while the remaining categories fell in between. These relative rankings conform to general distribution of funds over the most recent period shown above. However, because of the inclusion of regional priorities within the selection process, these general objectives are not listed in order of priority.

GOAL

Improve the economic and physical environment in Virginia's communities through implementation of activities that primarily benefit low- and moderate-income persons, prevent or eliminate slums and blighting conditions, or meet urgent needs that threaten the welfare of citizens.

OBJECTIVE A

To assist local governments in improving neighborhoods and other areas through comprehensive community development programs.

STRATEGIES AND EXPECTED RESULTS

Provide financial and technical support for the comprehensive improvement of residential areas to result in revitalized neighborhoods including improved housing, water, sewer, road, and drainage conditions.

OBJECTIVE B

To assist local governments in increasing business and employment opportunities through economic development programs.

STRATEGIES AND EXPECTED RESULTS

Provide financial and technical support for the acquisition, development, rehabilitation, or expansion of business and industrial sites and facilities to result in raising wage levels, retaining existing jobs, generating new jobs and employment opportunities, generating long-term employment, diversifying and expanding local tax bases and economies, and reducing the out-commuting of workers and out-migration of residents.

Provide financial and technical support for the acquisition, development, and revitalization of commercial districts to result in

increasing retail sales and property values in stagnating or declining commercial districts, retaining existing businesses, increasing the opportunities for small businesses in commercial districts, retaining existing jobs, and strengthening local tax bases.

Provide financial and technical support for the development of entrepreneurial assistance programs including microenterprise assistance, business incubators, and similar efforts to result in creating assets among low-income persons, increasing employment opportunities, reducing unemployment, increasing wage levels, generating new jobs, generating long-term employment, and diversifying and expanding local tax bases.

OBJECTIVE C

To assist local governments in conserving and improving housing conditions.

STRATEGIES AND EXPECTED RESULTS

Provide financial and technical support for housing rehabilitation to result in reducing substandard housing conditions, conserving local housing stocks, stabilizing declining neighborhoods, promoting homeownership options, improving standards of living, and enhancing the attractiveness of the community.

Provide financial and technical support for acquisition and improvement of sites and/or facilities for low- and moderate-income housing to result in reducing the number of Virginia citizens in substandard housing, increasing the supply of housing, improving local standards of living, expanding housing opportunities, improving the quality of public facilities serving low- and moderate-income housing, and providing or improving basic public facilities serving low- and moderate-income housing.

OBJECTIVE D

To assist local governments in improving the availability and adequacy of community facilities.

STRATEGIES AND EXPECTED RESULTS

Provide financial and technical support for acquisition of sites or rights-of-way for community facilities such as water, sewer, drainage, and streets to result in providing basic facilities in areas where they are lacking.

Provide financial and technical support for the installation, rehabilitation, or improvement of community facilities such as water, sewer, drainage, and streets to result in providing basic facilities in areas where they are lacking, improving the quality of inadequate community

facilities, enhancing the development potential of communities, and eliminating conditions detrimental to health, safety, and public welfare.

OBJECTIVE E
To assist local governments in improving the availability and adequacy of community service facilities.

STRATEGIES AND EXPECTED RESULTS
Provide financial and technical support for the acquisition of sites and/or structures for community services facilities to result in providing new or expanded community services.

Provide financial and technical support for the construction, rehabilitation, or improvement of community service facilities to result in developing new structures, or rehabilitating or improving existing structures for the provision of new or expanded community services.

F. Barriers to Affordable Housing

During the late 1990s and the first years of this decade, the state government considered a number of issues related to the impact of its regulatory and institutional climate on housing affordability. The State succeeded in identifying and lowering a number of significant regulatory and institutional barriers to the creation and preservation of affordable housing at the state and local levels. These efforts reflected the unique structure of Virginia's regulatory environment, blending reliance on and respect for local government with an emphasis on the consistent application of uniform, performance-oriented regulatory standards. However, many of Virginia's local governments have expressed increasing concern over the issues related to "urban sprawl," which has become the shorthand term encompassing a range of problems, including the local fiscal impact of rapid residential and commercial development, that many residents see as threatening their communities. Locally adopted policies that attempt to mitigate these perceived problems can have negative consequences for housing affordability.

As the discussion in the market analysis section indicated, these recent trends in land use and growth management relate directly or indirectly to housing affordability. The overriding concern is that local efforts to respond to these issues (such as large-lot zoning, comprehensive down zoning, the growing use and acceptance of fees linked to the perceived costs of development to the growing community, and other techniques) could adversely affect the creation or maintenance of affordable owner- or renter-occupied housing units. Other challenges have appeared in the area of building and fire regulation. The department works to assure the continued benefits inherent to uniform regulations and enforcement programs while developing sufficient regulatory

flexibility to permit the safe reuse of older existing structures.

Although many of the regulatory areas with the greatest potential impact on housing and housing affordability involve local government, Virginia's adherence to the Dillon Rule means that the framework for the local regulatory structure is largely determined through legislative or regulatory processes at the state level. Thus, the primary state strategy for removing or ameliorating possible negative effect of these policies is through participation in various phases of the legislative and regulatory processes.

- By participating to varying degrees in legislatively mandated studies—many of which address issues of housing need or affordability—being conducted either by subcommittees or such permanent bodies as the Virginia Housing Study Commission, the Department of Housing and Community Development can influence their outcome and recommendations, assuring that housing affordability receives appropriate consideration. Participation may range from assuming full responsibility for a study, serving in a staff capacity, or providing comments on proposed findings or recommendations.

- By closely monitoring legislation introduced during annual legislative sessions, identifying bills or amendments that could adversely affect housing affordability, and calling attention to them in the established review process of the Executive, and representing the position of the administration, DHCD can influence the consideration given to such measures.

- By continuing, in its regulatory processes, to pursue greater uniformity in building regulations governing new construction and resisting efforts to bypass the Uniform Statewide Building Code, the Statewide Fire Prevention Code, and other critical regulations in favor of fragmented, non-uniform code requirements, DHCD can prevent the imposition of unnecessary regulatory burdens on housing providers.

- By playing an active role in national efforts to bring greater uniformity to model codes and by heightening awareness of their impact on affordability, DHCD can influence policies that affect not only state but national regulatory policies in favor of affordability.

- By redoubling efforts to emphasize in training and certification programs the availability of USBC provisions that facilitate the revitalization of older individual structures and thus older communities, DHCD can facilitate local interest in reusing existing housing resources without compromising safety or health considerations.

G. **Lead-Based Paint Hazard Reduction**

As noted in the housing needs assessment and elsewhere in the Consolidated Plan, Virginia has a substantial inventory of renter- and owner-occupied housing units in Virginia with potential lead-based paint hazards. The Virginia Department of Health has documented the fact that many children in the State are already affected or are at risk of encountering lead hazards. Fully abating hazards in all potentially affected housing units is beyond the capacity of the State of Virginia. Given the continuing imbalance between available resources and the potential scope of lead hazards, Virginia has developed lead-based paint strategies that rely on innovative, cost-effective policies that target housing units whose occupants are in the greatest danger from lead-based paint hazards. Virginia recently completed its initial three-year lead-based paint hazard program and has begun following through with its most recent grant that addresses areas with well-documented lead based paint hazards.

Ongoing Strategies

The initial three-year, $5.4 million Lead-Based Paint Hazard Reduction Grant DHCD received from HUD, which directly addressed the reduction of lead hazards in 1,400 the low-income homes, had other important consequences. Since the award of the initial lead grant, DHCD worked with a number of State, local and federal agencies to accomplish tasks that were critical in establishing an institutional and regulatory framework capable of successfully addressing lead-based paint hazards in the future. Aside from reducing lead hazard risks in homes, the major accomplishments resulting from the Virginia Lead-Safe Homes Program (1994-2001) initial grant include:

1. *•Developing and implementing essential state regulations.*

   In accordance with Title 54.1 of the Code of Virginia, the Department of Professional and Occupational Regulations (DPOR) has developed and implemented through regulation (18VAC15-30-10 et seq.) a state licensing and certification program. DPOR is currently engaged in the process of revising its lead regulations to emphasize their applicability to targeted (e.g., pre-1978) residential units and other “child-occupied” facilities. It contains procedures and requirements for the accreditation of lead-based paint training programs, procedures, and requirements for the certification of individuals and firms engaged in lead-based paint activities, such as risk assessment, inspections, project design, and abatement, as well as standards for performing those activities. The regulations apply to all individuals and firms engaged in defined lead-based paint activities on targeted properties. The only exceptions are for persons who perform these activities within their own residence, unless the residence is occupied by a person or persons other than the owner or the owner's immediate family while these activities are

being conducted or a child residing in the building has been identified as having an elevated blood lead level.

2. *Increasing community and household awareness of lead hazards.*

   The Virginia Department of Health has developed more intensive media and public education efforts to broaden public awareness of lead-based paint issues, providing information and training documents on its web site and elsewhere. Other partners, such as the Virginia Institute for Developmental Disabilities at Virginia Commonwealth University, assist in this effort to broaden awareness.

3. *Incorporating lead abatement strategies in the rehabilitation activities of five DHCD programs, including CDBG, Indoor Plumbing Rehabilitation, Weatherization Assistance, Emergency Home Repair, and MultiFamily Loans.*

For a variety of programmatic and other reasons, DHCD has focused much of its effort on the rural or non-metropolitan parts of the State not receiving housing assistance directly from HUD. DHCD's latest effort to implement the Lead-Safe Homes Program has been tailored to respond to the needs and circumstances of the targeted communities.

DHCD will continue to be involved with the activities of the Senate Joint Subcommittee Studying Lead Poisoning Prevention, whose agenda includes the following items:

1. Working with the real estate and other industries to ensure the establishment of equitable standards for lead risk reduction in order to protect the children and the business community of the Commonwealth;
2. Receiving reports and data on the implementation of its initiatives to ensure testing of persons at risk of lead poisoning, particularly children;
3. Reaching agreement on the most appropriate ways to resolve the concerns of real estate professionals and home owners concerning liability for lead risks;
4. Providing a forum for the real estate professionals, the housing industry, and the parents of young children who suffer from lead poisoning in order to reach the goal of the Centers for Disease Control and Prevention to eliminate lead poisoning by 2010; and
5. Examining such other issues as may be appropriate in reducing the impact of lead poisoning.

H. **Anti-Poverty Strategy**

Virginia's anti-poverty strategy has two major components-welfare reform

and enhanced economic development. The State's welfare reform initiative is based upon personal responsibility, time-limited assistance, and work for the receipt of benefits. The Virginia Independence Program (VIP) and its work component the Virginia Initiative for Work not Welfare (VIEW) continue to help many Virginians make the transition from welfare to work. Temporary Assistance for Needy Families (TANF) is the cash assistance component that helps families work toward their goal of total independence. The work component of VIP requires that TANF recipients work in exchange for their temporary public assistance. TANF funding has become an important component of DHCD's efforts to operate an effective homelessness prevention program (the Homeless Intervention Program or HIP). DHCD will promote and coordinate its housing services with these and other activities helping reduce the number of poverty-level families in Virginia. Through a number of community and economic development programs, DHCD functions as a significant component of Virginia's effort to promote job creation in the private sector, asset growth, and community and economic development in economically distressed areas such as inner cities and rural areas of the Commonwealth. Among the key initiatives involving DHCD in this effort are:

- The *Virginia Enterprise Zone Program***,** which offers tax incentives for businesses to hire and invest in distressed communities; recent legislation has expanded the number of Enterprise Zones in Virginia--making it easier for businesses to participate. The most recent statutory changes focus on preserving the effectiveness of the tax credits for job creation in distressed communities and on assuring that federally- and state-designated zones will operate simultaneously. The purpose of the Enterprise Zone program is to stimulate business and industrial growth that will result in neighborhood, commercial and economic revitalization through regulatory flexibility and tax incentives. There are currently fifty-seven zones.

- The *Virginia Enterprise Initiative***,** which leverages private sector support for community-based microenterprise (self-employment) programs that provide aspiring low-income entrepreneurs with access to capital and business skills. Since 1995, the VEI has provided financial and technical support to community-based micro enterprise programs, which in turn work with new business entrepreneurs with a variety of needs. These include one-on-one technical assistance, business skills training, development of a business plan, access to loan capital, and business counseling. Annual grants to the micro-enterprise programs range up to $70,000. Individual loans cannot exceed $25,000. The majority of grants are used for operating funds and to collateralize loan pools. Currently, all available VEI funds are committed to existing programs.

- *Continuum of Housing Services*, which uses $4.9 million in funds from the federal TANF grant on welfare reform to support a continuum of housing services to low-income families. These target homeless families attempting to regain independence. Services include: assistance for emergency and transitional shelter; supportive services such as life skills, education, and job training; care and coordination to meet the special needs of homeless children while parents prepare and look for work; and rental assistance.

I. Institutional Structure

The institutional structure for housing assistance comprises a number of public and private actors at the State, local and regional levels. Because many of the housing programs administered by state agencies rely on the cooperation of other state or, regional, or local entities, the institutional structure for housing is important. This section of the Consolidated Plan examines the current structure for the delivery of housing and related services, assesses the suing is strengths and weaknesses of that structure, and describes broad approaches the State is taking to address gaps in the institutional structure. Information on coordination among agencies is also included in the antipoverty strategy section of this Plan.

State Structure

Within the executive branch of State government, the *Department of Housing and Community Development (DHCD)* is the focal point of the State's affordable housing planning. As the agency responsible for administering the four CPD programs, DHCD prepares the Consolidated Plan, Action Plan, and Annual Performance Report. These documents help coordinate the use of available housing resources. They also structure and inform fundamental policy decisions that drive the use and allocation of housing resources in Virginia. DHCD administers the Virginia Housing Partnership Fund in conjunction with the *Virginia Housing Development Authority.* The department also provides certifications of consistency needed by grant applicants for various housing programs, such as those incorporated in the annual SuperNOFA.

The Virginia Housing Development Authority (VHDA) is an independent political subdivision of the State governed by a Board of Commissioners whose members are appointed by the Governor. Created in 1972, VHDA administers principally single family and multifamily bond programs, a statewide Section 8 Certificate/Housing Voucher program and the Virginia Housing Fund, which is supported through agency reserves. VHDA also is responsible for providing underwriting for projects funded through the Virginia Housing Partnership. VHDA also administers the allocation of federal Low Income Housing Tax Credits, which is linked with the Virginia Low-Income Housing Tax Credit Program administered by DHCD. DHCD and VHDA cooperate extensively on housing program

delivery. The further to facilitate coordination and communication between VHDA and DHCD, as of July 1, 2003, the Director of the Department of Housing and Community Development will serve as a voting member of the VHDA Board of Commissioners and the Executive Director of the VHDA will serve as a voting member of the Board of Housing and Community development.

A 2003 amendment to the current appropriations act will change the roles of the two agencies with respect to the administration of the Virginia Housing Partnership Fund. The amendment obligates DHCD to sell the portfolio of outstanding loans and other assets comprising the Virginia Housing Partnership Revolving Loan Fund to VHDA on mutually agreeable terms. The agreement will transfer any residual balances from the sale of the Fund to VHDA to be used in conjunction with existing resources to provide affordable housing to low-income Virginians not currently served by existing Authority programs. The bulk of the proceeds of the sale, $40,822,000 will be transferred to the state's general fund before the close of the current fiscal year.

DHCD and VHDA form the policy and program development and implementation arm of Virginia's State structure for housing delivery. In another branch of State government, the *Virginia Housing Study Commission* is a legislative commission, established in 1970, made up of members of both the House and Senate, as well as non-legislative members appointed by the Governor. The Commission conducts annual hearings throughout the Commonwealth and prepares reports that identify housing problems and recommend, where appropriate, legislative solutions.

In addition to these governmental entities, one non-governmental organization operates at the state level. The Virginia Community Development Corporation is a private nonprofit organization related to but distinct from State government**.** Its primary role is to syndicate federal low-income housing tax credits. It acts as an intermediary between nonprofits with tax credits and corporations seeking affordable housing investment. Because of its unique structure, the CDC may function as a source of technical assistance (which is currently provided as part of tax credit syndication), a possible source of permanent multifamily mortgage financing, and a point of contact between the private sector and State government.

The primary gap in the structure of housing efforts at the state level reflects the need for increased coordination among the agencies administering major housing programs and those housing related services provided by nonhousing state agencies. The State provides for regular communications DHCD and VHDA to review projects and promote the involvement of VHDA in DHCD teams (such as the Virginia Housing Partnership Training Center Team)—ensuring that coordination is a routine part of program implementation and policy

development. In the realm of homeless programs, the Virginia Interagency Council on Homelessness (VIACH) provides a forum for discussing issues that cut across organizational lines and developing responses to them. These steps will be continued and enhanced in the coming years.

Regional Structure

The most prominent regional governmental organizations in Virginia are planning district commissions (PDCs). Although they often provide an organizational setting for participating local governments to develop regional responses to a variety of needs, including housing, economic development, and human services, they have been less significant participants in efforts to bridge the gap between state housing programs and local housing activities. One weakness in this area is the lack of strong relationships within the housing delivery system between the State and regional entities around housing issues. Although there have been relatively few formal opportunities for the State to interact with regional entities around housing issues, DHCD will continue to work where there are appropriate opportunities to build relationships between the State and PDCs that maximize regional cooperation on housing and homelessness issues.

The state responded to regional needs by establishing the Single Family Regional Loan Fund (SFRLF) is a first-time homeownership program that DHCD and VHDA administer jointly. Continued implementation of the Regional Loan Fund offers ongoing opportunities for further State-regional coordination that the State will structure to benefit other aspects of housing assistance.

Local Structure

DHCD has established long-term relationships with a widely varied set of partners at the local level. These include units of local government, nonprofit housing providers, and for-profit developers who specialize in affordable housing production or rehabilitation. Participants vary by program and year. Federal program requirements mean that local governments partner on Community Development Block Grant (CDBG) funded projects. For-profit providers have been the most active in the multifamily rental housing programs, particularly since the advent of the LIHTC program at the federal level. Nonprofit housing providers have been active in virtually all of DHCD's housing programs. Issues associated with these different local providers are described in more detail below**.**

Units of Local Government: Both DHCD and VHDA have extensive working relationships with local jurisdictions in implementing housing programs. Units of local government and public housing authorities administer Virginia Housing Partnership programs including the Indoor Plumbing/Rehabilitation

program, the Emergency Home Repair program, Dry Well, and the Multifamily Loan program. Over the past two decades, the State has worked with dozens of Virginia's local governments and public housing authorities in administering housing and community development programs.

VHDA also maintains extensive relationships with local jurisdictions. The best example is VHDA's administration of the Section 8 Certification/Voucher program, through which VHDA maintains direct administrative relationships with participating jurisdictions and PHAs throughout the State. VHDA also relies on local participants to help implement the Virginia Housing Fund, bond financing, and other programs.

The State expects to continue and strengthen these working relationships in the administration of federal and State programs. At present, the State does not intend to delegate responsibility for administration of these resources entirely to local governments, but will work with local governments and public housing authorities as full partners in housing program delivery.

There are no consistent gaps in the way in which local governments participate with the state in the delivery of housing assistance. However, the strengths and weaknesses of individual jurisdictions may become apparent in connection with the various programs that DHCD, VHDA, and participating jurisdictions attempt to implement. The State relies on technical assistance efforts and enhanced education and awareness actions relating to housing issues and needs and directed toward local officials.

Nonprofit Housing Providers: The participation of nonprofit housing providers is essential to the delivery of housing resources in Virginia. Nonprofit providers cover a wide range. One type is the community action agency that works extensively with weatherization resources and human services programs directed at poverty populations. Other independent, community-based entities form to address a set of specific issues or needs in a given community. Nevertheless, gaps in coverage and in the capacity of these organizations persist. Providers of more specialized housing services may not be present across the entire state. Other concerns include a lack of awareness about available resources, a lack of capacity to pursue resources when they are available, and difficulties in attaining and maintaining economic self-sufficiency without continued State support for operations.

Private Sector Providers: DHCD and VHDA work with a many private-sector providers in the delivery of housing programs. These include banks and for-profit housing providers. Most Virginia banks have relationships with Community Development Corporations as part of their structure for promoting affordable housing development in the communities they serve. In addition,

Virginia banks are involved in the implementation of the Community Reinvestment Act, which furthers use of private resources in the development of affordable housing and the revitalization of neighborhoods. For-profit housing providers are most involved in the State's multifamily rental housing programs.

The capacity, efficiency, and effectiveness of private-sector housing providers can vary. Many of these entities have the technical knowledge and financial resources needed to develop successful affordable housing projects. Often the question is one of making them more aware of opportunities and resources rather than one of needing to encourage their use of resources. Actions to further private-sector involvement in affordable housing include participation by private-sector representatives in the development of the Consolidated Plan, and providing additional information to such providers on the needs and opportunities within their local communities. DHCD will continue these efforts within the period covered by the new Consolidated Plan.

J. **Coordination with Other Agencies**

Because the Department of Housing and Community Development has continued to administer all four of the CPD programs subject to the Consolidated Plan, DHCD relies primarily on intra-agency coordination to assist in coordinating what in other states might involve interagency coordination. DHCD also administers program funds for housing and community development programs receiving funding from other federal agencies. Department of Energy Weatherization Assistance Program (WAP), Department of Health and Human Services Low Income Home Energy Assistance Program (LIHEAP) and Temporary Assistance to Needy Families (TANF), and Appalachian Regional Commission (ARC) funds can be coordinated, where possible, with other appropriate state and federally funded activities administered by the Department. Access to the LIHEAP, TANF, and WAP program funds results from arrangements between DHCD and the Virginia Department of Social Services and the Virginia Department of Mines, Minerals, and Energy. These state agencies initially receive funding from the federal Departments of Energy (DOE) and Health and Human Services (HHS) for the respective energy conservation or anti-poverty activities.

Many of the housing areas addressed by the Plan necessarily involve coordination with other state agencies serving populations with specialized needs. In these cases, more formal coordination mechanisms may be necessary.

Lead-based paint hazards manifest themselves in actual or potential health problems for affected individuals. However, no single agency within state or local government encompasses all the expertise needed to respond to these hazards. Thus, for example, DHCD works with the Virginia Department of Health in coordinating methods for identifying individuals and areas potentially or

actually at risk from lead hazards and with the Department of Professional and Occupational Regulation to develop a regulatory structure that will encourage the safe mitigation of those hazards.

Projected increases in the number of older Virginians and the changing distribution of the population within the population aged 65 and above have sparked growing interest in the current and future need for a variety of appropriate responses, including affordable assisted living facilities. In addition, following passage of HB in 2002, DHCD has begun working with a consultant to develop new strategies for responding to the specific needs of older and disabled Virginians.

DHCD and VHDA have been actively represented in the state's ongoing Olmstead planning process, working with a broad-based group representing affected parties, other state agencies with human service responsibilities, and private providers to develop appropriate policies enabling persons with disabilities to live in appropriate settings in Virginia's communities.

Responding to the needs of homeless or potentially homeless Virginians may involve issues of education, welfare, employment, mental health and substance abuse, as well as housing. The Virginia Interagency Action Council for the Homeless (VIACH) provides a basis for representatives of state agencies with primary authority in these areas as well as advocates for homeless programs to meet and consider strategies for coordinating services.

K. Low-Income Housing Tax Credit

VHDA administers the allocation of federal Low-Income Housing Tax Credit (LIHTC) in Virginia, preparing the annual Qualified Allocation Plan (QAP) and allocating available credits accordingly. LIHTC will continue to be used in conjunction with taxable and tax-exempt bond issues, the VHDA Housing Fund, and the HOME Investment Partnerships Program to develop multifamily rental housing. The two agencies remain committed to coordinating their activities so that the allocation of these resources has the greatest impact possible on the creation and preservation of affordable housing. This is particularly evident in connection with DHCD's administration of the State Low-Income Housing Tax credit. This program, which is limited to $500,000, currently supplements the federal credits. Under this program, qualified recipients of federal credits may be eligible to receive a credit against Virginia individual or corporate income taxes for qualifying projects. VHDA and DHCD cooperated in developing the regulations and procedures for this program.

Virginia has benefited from the Virginia Community Development Corporation, a private nonprofit that acts as a major syndicator for federal tax credits. The CDC offers three advantages to affordable housing projects in Virginia that seek to use tax credits. It purchases smaller amounts of credits that

other syndicator might find unprofitable. It generally provides a higher level of equity per credit than syndicators, which reduces the need for additional subsidy in the project. The CDC also has as part of its explicit mission working with smaller, more difficult deals that may extensive technical assistance, which it also provides.

L. Public Housing Resident Initiatives

Virginia does not administer public housing directly and does not anticipate that State resources will be used in a comprehensive, targeted manner to support ongoing federal initiatives in this area. The State examined a number of issues related to resident empowerment in a 1995 Housing Study Commission study of opportunities for expanded resident management and ownership of public housing. However, because state agencies are currently not statutorily authorized to oversee the administration of local PHAs, the agencies are generally limited to advocacy, encouragement, or support for activities that lead to greater empowerment and self-sufficiency for public housing residents.

In a related matter, local housing authorities and the VHDA have recently secured legislation amending the provisions for appointment of commissioners so that they can comply with the requirement for a program participant to serve on the authority's governing board.

M. Troubled Public Housing Authorities

According to information available from HUD, no Virginia Public Housing Authority lying within the area covered by the State's Consolidated Plan was listed as having a "Troubled" PHMAP Status at the close of 2002. The Franklin RHA, which the HA Profile had listed as "Troubled" in previous years, has attained "Standard Performer" status. However, the Abingdon PHA, which administers some 28 low rent and 121 Section 8 units, covers the area around the town, had an assessment score below 60 according to HUD's current PHA profile listing.

N. Certifications of Consistency

The Department of Housing and Community will continue to review applications for assistance made to HUD by local governments, local public housing authorities, and non-profit providers falling within the area of the state covered by the Consolidated Plan. The review focuses on whether the applicant's proposal addresses areas of priority need identified in the Plan and the consistency of the proposal with the relevant Plan strategy for responding to that need. The requisite certificate is then issued for inclusion with the applicant's request for funding assistance.

In addition, in accordance with recent federal regulations, annual and five-year PHA plans for authorities located in areas subject to the State's Consolidated Plan must include a certification of consistency with the Consolidated Plan. Again, the focus is on the degree to which the PHA plan addresses needs and employs strategies consistent with those identified in the operative State document. Because the larger PHAs in Virginia are generally located within an entitlement area covered by a locally developed Consolidated Plan, the State's review has been limited almost exclusively to PHAs serving smaller, non-metropolitan communities or rural portions of Virginia.

COMMONWEALTH OF VIRGINIA
CONSOLIDATED PLAN
ACTION PLAN

2003

(State FY 2004)

May 30, 2003

The Jackson Center
501 N. 2nd Street
Richmond, VA 23219

IV: ACTION PLAN

Introduction

The Commonwealth of Virginia through the Department of Housing and Community Development (DHCD) has prepared and submitted a new Consolidated Plan for Housing and Community Development Programs to the federal Department of Housing and Urban Development (HUD) in 2003 to cover the following five state fiscal years:

Year *One* - July 1, 2003 to June 30, 2004 (federal fiscal year 2003)
Year *Two* - July 1, 2004 to June 30, 2005 (federal fiscal year 2004)
Year *Three* - July 1, 2005 to June 30, 2006 (federal fiscal year 2006)
Year *Four* - July 1, 2006 to June 30, 2007 (federal fiscal year 2007)
Year *Five* - July 1, 2007 to June 30, 2008 (federal fiscal year 2008)

In addition to the Consolidated Plan, the Commonwealth supplies HUD with an annual Action Plan describing how the State will implement its housing and community development programs for each year. This plan combines in a single document information describing the proposed use of HOME, HOPWA and ESG funds and the proposed method for making CDBG funds available for housing and other eligible community and economic development activities. The activities described reflect and complement the efforts of DHCD to implement the initiatives reflected in its mission. Housing rehabilitation and down payment assistance to first-time home buyers, as described in more detail in the *Virginia Community Development Block Grant Program 2003 Program Design*, are, for example, among the housing activities for which CDBG funds may be used during the fiscal year. Other eligible community and economic development projects, such as the installation or improvement of various types of community facilities, directly and indirectly affect the environment for housing in Virginia's localities. Similarly, the construction and rehabilitation of housing supported by HOME and other formula programs complements efforts to strengthen local economies. This Action Plan incorporates tables originally derived from the Community 2020 planning software except where they have already been incorporated in the Consolidated Plan. As in the previous submission, significant aspects of the state's administration of the four programs differ from the methods that entitlement communities use; thus, some features of the Community 2020 software are not entirely relevant. Information from Community 2020 tables that will continue to be submitted to HUD in a compressed digital format pending the introduction of the on-line version of Community 2020 has been presented on substantially similar tables within either this document or the Consolidated Plan.

ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS

The Action Plan for Housing and Community Development Programs for State FY 2004 (Federal FY 2003 Funding):

- Details the housing and community development priorities, objectives, and strategies included in the five-year Consolidated Plan adopted and approved in 2003;
- Describes actions the State will take concerning affordable housing;
- Estimates the resources available to the State--including leveraging, matching funds, and reprogrammed monies--for the housing programs and community development activities subject to the Consolidated Plan;
- Outlines the proposed budget for and provides a summary of housing activities the State will undertake, including how the State will assist homeless people and others with special housing needs;
- Describes how the State will distribute available resources for housing and community development;
- Provides additional information on the programs covered by this Action Plan, including the HOME Investment Partnerships (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for Persons with HIV/AIDS (HOPWA), and Community Development Block Grants (CDBG); and
- Provides additional information on other federal and non-federal programs and funding sources available to the State for addressing housing and community development needs, including the overall legislative and regulatory climate.

A. PRIORITIES FOR HOUSING AND COMMUNITY DEVELOPMENT

Three priorities guide the Virginia Department of Housing and Community Development (DHCD) in its use of available housing resources in meeting the need for affordable housing, ending homelessness, and providing for persons with special housing needs. Five related community development objectives establish the priorities for assistance from the CDBG program offered to eligible localities seeking to improve housing, bolster local economies, and develop a variety of community facilities and service facilities. These priorities and objectives were initially established through the process used to develop the current Consolidated Plan, a process that included the extensive use of focus group meetings to elicit public recommendations concerning housing priorities.

DHCD focused on elements of the CDBG program at two Program Design / Consolidated Plan Input Workshops in the fall of 2002. The first took place in, on

October 22 and 24, 2003. Following these workshops, DHCD prepared the final CDBG program design, conducting a public hearing on November 16, 2002. The program design revised numerous provisions from the previous year's program. The state reserved $1 million for a limited-term new dry well replacement program intended to address effects of the prolonged regional drought. The Self-Help program was exempted from the $2.5 million limitation on open contracts that otherwise remains in effect. Although regional infrastructure projects will continue to be eligible for up to $2 million in VCDBG funding, the policy further refines the definition of a regional project to apply to circumstances where the involved localities either are creating a new entity to manage the infrastructure system or are combining systems under a single entity. Regional Infrastructure projects must result in parity of rates charged to users who are directly benefited by the CDBG investment. Multi-jurisdictional utility extensions and interconnections from consideration as regional projects continue to be excluded. Comprehensive projects with at least three significant activities are now eligible for CDBG funding up to $1.4 million. Significant activities are defined as those activities that have a representation in the project budget no lower than 10% and no greater than 60% of the total project cost. No single activity within a multi-activity competitive economic development project may represent more than $700,000. Administrative limits for the Community Economic Development Fund and the Urgent Need Open Submission Fund have been set at $50,000. The Community Economic Improvement Fund was renamed the Community Economic Development Fund. Finally, updated poverty, unemployment, and income data shifted communities among the various eligibility categories for Community Economic Improvement Fund Grants.

DHCD and its major housing partner within the state government, the Virginia Housing Development Authority (VHDA), completed a series of ten housing need assessment workshops in nine locations across the Commonwealth that began in March 2001. These workshops included a facilitated process for eliciting participant's views on those housing needs with the highest priority within their region. Priorities varied from region to region; however, there were some consistent themes, which generally paralleled previously identified goals for housing. Home ownership issues, including opportunities for first-time homebuyers and the need to rehabilitate substandard owner-occupied units with or without the provision of indoor plumbing, received considerable attention. Housing affordability in general and the needs of individuals with various disabilities were frequently identified as significant issues. The Housing Needs Assessment, which summarized the qualitative and quantitative findings of the assessment process, was published as a web document in late November 2001.

In addition, during the third week of April 2003, DHCD conducted a series of focus group sessions. One targeted the agency's primary partners in bringing housing resources to bear on Virginia's major areas of housing need. Three other regional sessions sought input from the public and interested parties.

Participants were asked to identify what they saw as the most critical housing needs facing the Commonwealth and to recommend the most effective responses to meet identified needs using available resources. The Department complemented this process by providing an open comment period on its web site so that individuals not attending the focus groups or public hearing could provide similar information.

The Board of Housing and Community Development will receive copies of the initial draft plan at its May 2003 meeting in Richmond. DHCD published display advertisements in five regional newspapers of general circulation the availability of the draft plan for public comment. The Department is providing copies of the draft plan to all 21 planning district commissions. The Department is placing its draft plan on its web site in PDF format and provided additional copies to individuals requesting them. The Department conducted a public hearing on April 30, 2003, and will receive received additional comments through May 30, 2003. A summary of oral and written comments on the Plan and the Department's response, including any subsequent changes to the Plan, will be included in a subsequent Attachment.

Three priorities govern the use of the State's housing funds in meeting the needs identified in the Consolidated Plan:

- **Increasing the availability and affordability of safe, decent, and accessible housing to low and very low-income persons;**
- **Increasing the ability of communities to implement creative responses to community-based needs;**
- **Supporting policy development and research related to significant economic development, community development, and housing issues;**

In addition to providing a further source of financial and technical support for housing, DHCD's community development activities, stated in five objectives of the CDBG program, complement its housing efforts by improving the economic, physical, and institutional underpinnings of the Virginia's nonentitlement communities. For their part, housing activities in CDBG eligible communities can increase the comprehensive character of community improvement efforts. DHCD and its partners have placed increasing emphasis on the importance of considering housing within the broader context of promoting better communities.

The following section details the priorities and strategies that will govern the use of state resources for housing and community development during the state's fiscal year 2004.

Housing Program Priorities (HOME, HOPWA, ESG, CDBG Housing Activities)

Affordable Housing

Priorities for Assistance in order of priority are as follows:

GOAL

Improve the economic and physical environment in Virginia's communities through implementation of activities that primarily benefit low- and moderate-income persons, prevent or eliminate slums and blighting conditions, or meet urgent needs which threaten the welfare of citizens.

PRIORITY: INCREASE THE AVAILABILITY AND AFFORDABILITY OF SAFE, DECENT, AND ACCESSIBLE HOUSING TO LOW AND VERY LOW-INCOME PERSONS.

Objective: Support homeownership opportunities to a minimum of 400 low and very low-income persons annually.

Strategy: Increase affordability of home ownership through down payment and closing cost assistance through the Single Family Loan

Strategy: Work with VHDA to determine feasibility of use of Section 8 vouchers as a means of providing home ownership for low-income individuals in one rural community and for disabled in two urban communities.

Strategy: Provide predevelopment and operating funds to CHDO's to increase capacity and unit production.

Strategy: Increase capacity of non-profit developers to produce affordable home ownership opportunities through on-site technical assistance and training through the Office of Community Capacity Building in cooperation with VHDA

Strategy: Develop a more prescriptive affirmative marketing strategy and plan for use by DHCD and its sub-recipients, including administrators of the Single Family Loan Fund.

Objective: Increase the availability of affordable rental units by a minimum of 200.

Strategy: Allocate over $4.5 of HOME funds through the Affordable Housing Preservation and Production program to support production, preservation and predevelopment of at least 4 multi-family developments.

Strategy: Provide planning and other technical assistance for very low and special needs housing development, as well as, general technical assistance on the development process and accessing resources

Objective: Address sub-standard living conditions, health, accessibility, and safety deficiencies for 1,500 low-income, disabled, elderly and special needs households.

Strategy: Determine feasibility of rehab fund to address the accessibility needs of the elderly and disabled.

Strategy: Provide rehabilitation assistance for repair needs for properties identified through the Lead Hazard Control grant.

Strategy: Allocate $5 million to the Indoor Plumbing and Rehabilitation program and through the Community Development Block Grant program.

Strategy: Implement pilot program to address the rehabilitation and energy efficiency of transitional housing project and assess impact on operational costs.

Strategy: Use HOME Match and Supportive and Transitional Housing programs to support the development of transitional and permanent supportive housing options for homeless, disabled and others.

PRIORITY: INCREASE THE ABILITY OF COMMUNITIES TO IMPLEMENT CREATIVE RESPONSES TO COMMUNITY-BASED NEEDS.

Objective: Support the development of regional approaches and best practices for addressing the affordable housing needs in Virginia.

Strategy: Facilitate the development of three regional plans for addressing the housing needs of homeless and other low-income special needs populations in at least three communities.

Strategy: Support the Housing Virginia Campaign and its efforts to educate the public about the importance of affordable housing in communities throughout Virginia.

Strategy: Highlight successful approaches to meeting the challenge of affordable housing at the Governor's Housing Conference.

Strategy: Partner with the Virginia Housing Development Authority's Housing Initiative Team to target underserved communities through training and technical assistance.

Strategy: Develop program guidelines and implement new Commonwealth Priority Fund to best address unmet housing needs in collaboration with community-based housing organizations.

PRIORITY: SUPPORT POLICY DEVELOPMENT AND RESEARCH RELATED TO SIGNIFICANT ECONOMIC DEVELOPMENT, COMMUNITY DEVELOPMENT, AND HOUSING ISSUES.

Strategy: Work with the Virginia Housing Commission in its studies on visit-ability and mold.

Strategy: Review the reports of the Virginia Disability Commission and the Olmstead Study Commission and consider recommendations in the development of the FY2004 Action Plan.

Strategy: Working with the Virginia Interagency Council on Homelessness and through the federal-sponsored Policy Academy develop Virginia's plan to address the housing needs of the homelessness.

Housing for those with Special Needs

PRIORITIES FOR ADDRESSING THE NEEDS OF THE HOMELESS (ESG) AND PERSONS WITH AIDS (HOPWA)

PRIORITY 1: INCREASE THE AVAILABILITY AND AFFORDABILITY OF SAFE AND ACCESSIBLE HOUSING THROUGHOUT THE COMMONWEALTH.

Objective A: Identify and pilot at least two (2) additional housing options available and affordable to special needs populations requiring supportive services and document outcomes by end of FY2007.

Strategy: Educate provider dealing with special populations on non-development methods of accessing rental housing.

2003 Action: Contract with AIDS Housing of Washington to provide training to HOPWA sponsors and update of the HIV/AIDS Needs Assessment

Strategy: Contract with two community-based programs to provide tenant-based and/or project-based rental assistance to 40 chronically homeless adults by 2007.

2003 Action: Develop program design for the use of tenant-based rental assistance overcome chronic homelessness in adults in collaboration with the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services using HOME funds.

Strategy: Increase the housing stock accessible to homeless individuals and families.

2003 Action: Convene meeting in Planning District 9 to develop opportunities for collaborative approaches to the housing needs of persons leaving shelters.

2003 Action: Support development of two transitional housing projects in areas located outside funded Continuum of Care jurisdictions.

2003 Action: Provide match to two new Supportive Housing Program projects providing transitional or permanent supportive housing.

Objective B: Insure that 23,000 homeless persons receive service that result in at least 35% moving from homelessness into transitional or permanent affordable housing.

Strategy: Provide financial and technical support for operations of emergency shelters, including day shelters and winter shelters, and transitional housing facilities to result in adequate shelter for homeless individuals and families.

Strategy: Leverage Emergency Shelter Grant with state and other federal funds to insure safe and supportive housing and the availability of shelter beds for individuals and families experiencing homelessness.

2003 Action: Maximize per bed funding for 100 shelter providers providing at least 4,500 beds.

2003 Action: Fund at least 40 child services coordinators in 25 shelters to address health, mental health and educational needs of homeless children.

2003 Action: Provide $425,000 through funds available from the Department of Social Services in childcare assistance that will allow parents to locate and keep employment.

2003 Action: Minimize operating costs and accessibility of shelters through development of weatherization and accessibility rehab grants to be made available through the reallocation of administrative funds.

2003 Action: Increase the accessibility and affordability of transitional housing for homeless families by providing weatherization and accessibility grants to be made available through the reallocation of administrative funds.

Objective C: Insure safe and affordable housing with supportive services is available to low-income persons with HIV/AIDS and their families.

Strategy: Insure that project sponsors receive maximum allowable payments for housing and supportive services provided.

2003 Action: Hold annual meeting of providers to update on program policies and procedures and reimbursement policies.

2003 Action: Generate a new regional program in an unserved rural area.

PRIORITY 2: INCREASE THE ABILITY OF COMMUNITIES TO IMPLEMENT CREATIVE RESPONSES TO COMMUNITY-BASED NEEDS.

Objective A: Maximize the use of federal resources for homeless programs by insuring statewide coverage by continuums of care

Strategy: Use HOME administrative funds to ensure participation of every jurisdiction in Virginia in a Continuum of Care planning effort.

2003 Action: Provide technical assistance and funding support to at least one unfunded Continuum of Care and to two new regional planning groups.

Strategy: Encourage the coordination of services and programs for populations in need.

2003 Action: Identify a project sponsor to administer the Housing Opportunities for People Living with AIDS/HIV Program (HOPWA) in the Middle Peninsula, and provide training and technical assistance related to implementation of the program.

2003 Action: Provide technical assistance to HOPWA project sponsors on a continuing basis as well as conduct an annual workshop that will foster information sharing to ensure that providers are aware of relevant programs, policies, and resources.

2003 Action: Encourage all project sponsors to participate in a local or regional continuum of care planning endeavor.

PRIORITY 3: SUPPORT POLICY DEVELOPMENT AND RESEARCH RELATED TO SIGNIFICANT ECONOMIC DEVELOPMENT, COMMUNITY DEVELOPMENT, AND HOUSING INITIATIVES.

Objective A: End homelessness by the year 2013.

Strategy: Develop and implement a statewide strategic 10-year plan to minimize the number of persons becoming homeless and reduce the duration of incidents of homelessness by June 30, 2003.

2003 Action: Contract with the Virginia Housing Research Center for the development of a 10-Year Plan to End Homelessness.

2003 Action: Introduce the 10-Year Plan for comment and next steps at the Governor's Housing Conference in November 2003.

Objective B: Address non-metropolitan (rural) homelessness more effectively.

Strategy: Provide financial and technical support for comprehensive services and assistance to result in a decreased number of evictions and foreclosures that cause homelessness and in decreased lengths of episodes of homelessness.

Strategy: Provide financial and technical support for computer technology for client intake procedures, tracking and reporting to result in improved access to services, decreased duplication of services, and facilitate changes in ineffective service approaches.

Strategy: Provide financial and technical support for computer technology for client intake procedures, tracking and reporting to result in accurate demographic data, leading to effective evaluations of programs and services available to or needed by the target populations.

Strategy: Use ESG essential services and prevention categories for a pilot project in non-metropolitan jurisdictions, emphasizing housing and prevention and essential services necessary to maintain housing.

2003 Action: Select through a competitive application process and fund one regional project to provide housing and prevention services, and essential services necessary to maintain housing.

CDBG Housing Priority

PRIORITY: To assist local governments in conserving and improving housing conditions.

Provide financial and technical support for housing rehabilitation *to result in reducing substandard housing conditions, conserving local housing stocks, stabilizing declining neighborhoods, promoting homeownership options, improving standards of living, and enhancing the attractiveness of the community.*

Provide financial and technical support for acquisition and improvement of sites and/or facilities for low- and moderate-income housing *to result in reducing the number of Virginia citizens in*

substandard housing, increasing the supply of housing, improving local standards of living, expanding housing opportunities, improving the quality of public facilities serving low- and moderate-income housing, and providing or improving basic public facilities serving low- and moderate-income housing.

Other Community Development Priorities Receiving CDBG Assistance

PRIORITY: To assist local governments in improving neighborhoods and other areas through comprehensive community development programs.

Provide financial and technical support for the comprehensive improvement of residential areas *to result in revitalized neighborhoods including improved housing, water, sewer, road, and drainage conditions.*

PRIORITY: To assist local governments in increasing business and employment opportunities through economic development programs.

Provide financial and technical support for the acquisition, development, rehabilitation, or expansion of business and industrial sites and facilities *to result in raising wage levels, retaining existing jobs, generating new jobs and employment opportunities, generating long-term employment, diversifying and expanding local tax bases and economies, and reducing the out-commuting of workers and out-migration of residents.*

Provide financial and technical support for the acquisition, development, and revitalization of commercial districts *to result in increasing retail sales and property values in stagnating or declining commercial districts, retaining existing businesses, increasing the opportunities for small businesses in commercial districts, retaining existing jobs, and strengthening local tax bases.*

Provide financial and technical support for the development of entrepreneurial assistance programs including microenterprise assistance, business incubators, and similar efforts *to result in creating assets among low-income persons, increasing employment opportunities, reducing unemployment, increasing wage levels, generating new jobs, generating long-term employment, and diversifying and expanding local tax bases.*

PRIORITY: To assist local governments in improving the availability and adequacy of community facilities.

Provide financial and technical support for acquisition of sites or rights-of-way for community facilities such as water, sewer,

drainage, and streets *to result in providing basic facilities in areas where they are lacking.*

Provide financial and technical support for the installation, rehabilitation, or improvement of community facilities such as water, sewer, drainage, and streets *to result in providing basic facilities in areas where they are lacking, improving the quality of inadequate community facilities, enhancing the development potential of communities, and eliminating conditions detrimental to health, safety, and public welfare.*

The State will continue to offer assistance from this source for activities that can extend basic public facilities to areas lacking them or for projects improving existing facilities. Such improvements can enhance the development potential of a community or upgrade the quality of residential areas by alleviating conditions that potentially detract from the health, safety, or welfare of the community.

PRIORITY: To assist local governments in improving the availability and adequacy of community service facilities.

Provide financial and technical support for the acquisition of sites and/or structures for community services facilities *to result in providing new or expanded community services.*

Provide financial and technical support for the construction, rehabilitation, or improvement of community service facilities *to result in developing new structures, or rehabilitating or improving existing structures for the provision of new or expanded community services.*

The State will continue to offer assistance from this source for projects that enable communities to extend or expand needed community services.

B. RESOURCES

The State expects to receive the following *estimated* federal and state resources to be available for housing and community development activities in the state's FY 2004. In addition, the State intends to use program income and proceeds from the sale of the assets of the Virginia Housing Partnership Fund as noted.

Estimated Resources

Resources	Federal	Estimated Program Income[1]	Prior Year Funds Carried Forward
HOME	$15,802,000	$18,463	$2,383,130
Emergency Shelter Grant	$1,421,000	0	$31,519
Child Care for Homeless Children Grant	$450,000	0	0
Housing Opportunities for Persons with AIDS	$646,000	0	$616,000
TANF Homeless Families Program Support	$4,910,128	0	0
Weatherization [DOE]]	$3,946,656	0	0
Low Income Home Energy Assistance Program	$5,162,478	0	0
Lead-Based Paint Grant[2]	$2,160,00	0	0
Supportive Housing [3]	$0	0	0
Community Development Block Grant [4]	$24,359,000	$188,501	$2,124,099
Disaster Recovery[5]	$0	0	0
Derelict & Abandoned Housing Program	0	0	0
Appalachian Regional Commission	$3,500,000	0	0
Federal Subtotal	$60,199,422	0	$5,154,748
Child Service Coordinator	$360,000	0	0
State Low-Income Housing Tax Credits	$500,000	0	0
New Affordable Housing Fund Initiatives[6]	$15,000,000	0	0
General Funds for Housing Programs [7]	$10,217,945	0	0
State Subtotal	$26,077,945	0	00
TOTAL	$86,277,367	$206,964	$5,154,748

NOTES: [1]The CDBG figure was based on the income reported through the PER for the CDBG program.
[2] DHCD received a HUD Round 10 Lead-Based Paint Hazard Control Grant that began February 2003 and will extend for a period of 30 months. The grant will be expended over 30 months.
[3]This includes Permanent Housing for Handicapped Homeless and Supportive Housing.
[4] This includes $2,992,370 from 2002 Letters of Intent to Fund in 2003; $18.3 million for a variety of Community Improvement Grants; $500,000 for Planning Grants; $838,840 in 2000 multi-year housing projects, $1 million for the dry well replacement program, with the balance being used for

state administration and technical assistance. It does not include prior year returned funds, prior year program income or estimated program income for the 2002 Program year.

[5]All 1997 (Hurricane Fran) and 1998 (Hurricane Bonnie) Disaster Recovery Initiative funds covered by their respective DRI Action Plans have been placed under contract.

[6] DHCD anticipates that this amount will be the revenue from the sale of the Virginia Housing Partnerships Fund (VHPF) as mandated by the 2003 session of the Virginia General Assembly. Funds obtained from the sale of the VHPF will constitute a new fund that will serve primarily as a resource for predevelopment expenses and special projects for hard-to-do and special needs projects on potential AHPP deals. DHCD will use HOME funds to leverage this fund.

[7] More detail on the use of state resources is included in the Housing Budget. Money for the Indoor Plumbing Program is included. State Child Service Coordinator and Weatherization funding are considered separately.

Reprogrammed Funds	**Fiscal Year**					
HOME	1997	1998	1999	2000	2001	2002
AHPP	($289,883)	($421,528)	($507,080)	($728,900)	($1,120,550)	
Home Ownership				($31,350)	($810,550)	$133,330
IPR	$296,283	$452,684	$905,976	$1,453,885	$3,704,872	
Transitional Housing				($270,000)	($550,000)	$303,000
HOME Match						($425,000)
CHDO Operating				$315,000		
Single Family Rehab						$108,500
Admin	($6,300)			($671,000)		
Program Income	N/A	($31,156)	($398,896)	($67,635)	($257,346)	($119,830)
ESG-SHARE			($4,257)	($74,486)	($54,104)	($31,519)
ESG-Pilot Program					$54,104	$31,519
HUD Recapture			$4,257	$74,486		
HOPWA						
CDBG						$2,124,099

Match Requirements

HOME Investment Partnerships (HOME) Program

The State will satisfy the requirement that it match all HOME funds with non-federal funds at a 25 percent level in the following manner:

- A portion of the match will be derived from the present value of interest reductions of below-market-rate loans where the project also receives HOME assistance.

- The balance of the annual match liability is derived from State general revenue funds that are contributed to housing projects assisted with HOME funds and those that meet the HOME affordability requirements.

- Twenty-five percent (25%) of the State's annual match liability can be derived from the face value of State mortgage revenue bond loans, both multi-family and single family loans.

Community Development Block Grants

Projects funded via the CDBG Program do not have per se matching requirements; however, potential grantees can enhance their competitiveness by incorporating local resources in proposals for community improvement grants. Similarly, the degree of commitment as evidenced by private funds included in applications for certain economic development projects can affect their competitiveness. Thus, historically, the majority of successful applications include some degree of local participation--by the local government, private entities, or both. Based on projects under contract from the previous 2001 round, CDBG funded projects generated $10.1 million of local support, $4 million in additional private investment and $10.5 million in other state or federal funds.

Emergency Shelter Grant (ESG) Program

Federal regulations require a one-to-one match for ESG expenditures. The Department requires that all subrecipients of ESG funds provide the necessary match and submit a budget indicating the amount and source of match before the disbursement of funds. Eligible sources of match include state funds through the SHARE Shelter Support Grant, local funds, United Way contributions, private donations, volunteer hours, and in-kind contributions. Each ESG subrecipient is monitored regularly following departmental procedures, to ensure compliance with all federal requirements, including match expenditures.

Housing Opportunities for Persons with HIV/AIDS (HOPWA) Program

Matching funds are not required for the HOPWA Program

Leveraging Private Resources

Leveraging other resources, including those from the private sector, is an important part of the State's housing and community development activities particularly in the use of the Virginia Housing Development Authority's Virginia Housing Fund and HOME funds. The State's homeownership program provides down payment and closing cost assistance that leverages private mortgage financing.

The State's loan programs for the development and preservation of affordable housing will primarily target predevelopment expenses and permanent financing. However, because of the highly competitive nature of the funding, leverage has historically exceeded the minimum by a significant margin. The State anticipates public and private leverage for these activities would exceed $25 million, allowing

increased development in hard to develop areas. This includes initiatives through VHDA's Housing Initiatives Team, and the anticipated $15 million in funding resulting from the liquidation of the Virginia Housing Partnership Loan Fund portfolio as mandated by the 2003 session of the Virginia General Assembly.

In evaluating CDBG applications, DHCD considers the degree of commitment to a project as evidenced through the pledge of either local (for community facilities and housing) or private (for economic development) resources. Historically, the actual amount of leveraged funds has varied considerably from project to project, with economic development open submissions showing high private/public dollar ratios and other types of projects showing a more modest degree of leveraging of other public or private resources. The 2002 funding round generated approximately $21 million in local, other state, other federal, and private resources--$4 million in the latter category.

C. PROPOSED USES OF HUD AND OTHER PROGRAM FUNDS

HOME Activities	Amount	Carryover Funds	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
CHDO-Operating Assistance	2003 - $0.00 Continued use of 2002 allocation	$437,538	NA	Up to $50,000 or % of CHDO operating Budget, whichever is greater	Open: 11/1/02 until all funds are committed	Evaluate in April 2004. Unused funds will be reallocated to another HOME-eligible activity.	NA
Affordable Housing Preservation & Production	$4,500,000 with up to $237,030 available for predevelopment activities	$522,295	Program income returns to DHCD and will be reallocated to HOME-eligible activities	Up to $500,000 per project based on HUD program guidelines	Open: 9/1/03 until all funds are committed	Evaluated in April 2004. Decision to either to carry into FFY2004 or reallocate to another HOME-eligible activity.	200 units produced or rehabbed for homeownership or rental by targeted population
Indoor Plumbing Program	$5,000,000	$113,257	Program income returns to DHCD and will be reallocated to HOME-eligible activities	Allocation formula based on population, per capita income, households lacking plumbing and overcrowding	Open: 9/1/03	Funds not used by January 1 revert to incentive pool and made available to other sub-recipients	300 housing units provided with rehabilitation and indoor plumbing
Single Family Regional Loan Fund	$3,721,800 plus program income	$1,201,500	Program income returns to DHCD and will reallocated to regional administrators based on usage	Allocations formula based on prior use and market conditions	Open: 9/1/03	Evaluated in April 2004. Decision to either to carry into FFY2004 or reallocate to another HOME-eligible activity.	400 new income-eligible homeowners

HOME Activities	Amount	Carryover Funds	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
HOME Match for Supportive Housing	$600,000		NA	Up to $200,000 Non-competitive	Open: Available at time of HUD commitments anticipated in April 2004	Funds will be redistributed to another HOME-grantee awarded supportive housing grants if not requested within 12 months of commitment.	• 12 beds of permanent housing for persons with disabilities • 14 beds of transitional housing • 6 one-bedroom apartments for permanent supportive housing
SHARE Expansion Transitional Housing	$400,000		NA	Up to $200,000 Non-competitive	Open As received	Funds will be redistributed to another HOME-grantee awarded supportive housing grants if not requested within 12 months of commitment.	TBD
Transitional Housing Rehab Program (pilot)	$200,000		NA	Up to $200,000 Competitive	Open: 10/30/03 Close: 12/1/03	Carryover to next FY or may be reallocated to another HOME-eligible activity	Determine cost impact of rehabilitation services on operational costs of transitional housing facilities

HOME Activities	Amount	Carryover Funds	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
Administration	$ 1,380,200	$108,500					
Program Income	$ 18,463		Estimated				
Total	$15,820,463	$2,383,090					

Emergency Shelter Grant Activities	Amount	Carryover Funds	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
Shelter Operations	$1,199,950	$31,319	NA	$402 per bed Non-Competitive	Application 4/30/03 Award: 6/15/2003	Funds not used during grant year will be carried over to next year's funding or reallocated to current recipients for operations or special projects.	Fund 70 sub-recipients and a minimum of 2,300 beds
Housing and Prevention (Pilot)	$ 150,000		NA	$150,000 Competitive	Application: 6/5/03 Award: 7/14/03	Funds not expended by 6/30/04 will be used to extend project into next grant year or reallocated to per bed funding in next grant year.	Housing and supportive to at least 50 homeless households
Administration			NA	5% of total grant			
Admin allocated to sub-recipients	$ 3,925		NA	5% of award to local government sub-recipients only			
DHCD	$ 67,125		NA				
Total Grant	**$1,421,000**	$31,319	$14,525.19				

HOPWA Activities	Amount	Carryover Funds	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
Operations and Supportive Services	$ 581,400		NA	HUD formula Non-competitive	Application: 1/16/04 Award: 4/16/04	NA	
Administration			NA	10% of total grant			
Admin allocated to sub-recipients	$ 45,220		NA	7% of award			
DHCD	$ 19,380			3% of award			
Total	**$ 646,000**	$616,000	$1,260,000				

CDBG Activities	Amount	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
2001 Multi-Year Housing Projects	$ 838,840		N/A	N/A		
2002 Letters of Intent	$ 2,992,370		N/A	N/A		
Planning Grants	$ 500,000		$10,000 for Community Organizing grants; $25,000 for Project Planning grants	Open January 1, 2003 through September 30, 2003		
Dry-Well Replacement	$ 1,000,000		$5,000 per house	Open		
CIG: Community Economic Development Fund	$ 4,000,000			Open January 1, 2003 through September 30, 2003		
Community Development Innovation Fund	$ 2,000,000			Open January 1, 2003 through September 30, 2003		
Urgent Need Open Submission	0		N/A	Open January 1, 2003 through September 30, 2003		

CDBG Activities	Amount	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
Competitive Grants	$12,311,570		Economic Development : $700,000- $1,million; Comprehensive $1 –1.4 million for; Housing; $1 million ($25,000 per unit limit); Regional: $2million; Facilities: $1 million; Service Facilities: $700,000.	Applications due March 26, 2003		
State Administration	$ 487,480	N/A	N/A	N/A	N/A	
State Technical Assistance	$ 243,740	N/A	N/A	N/A	N/A	

CDBG Activities	Amount	Program Income	Maximum/ Minimum	Dates	Recaptured or Unused Funds	2003 Goal
Total	$24,374,000	Funds returned as Program Income during the 2003 Program Year will be allocated in accordance with the policies described in the Program Design.			Funds cancelled or returned to the Program or funds returned as Program Income during the 2003 Program Year will be allocated in accordance with the policies described in the Program Design.	

ADDITIONAL PROGRAM AREAS	STATE GRANT OR CREDIT	OTHER FEDERAL FUNDING SOURCES
State Low income Housing Tax Credit	$500,000	0
Assisted Living	0	0
Match for New Affordable Housing Fund Initiative	$15,000,000	0
Weatherization & Other Energy Assistance	0	$9,109,134
Emergency Home Repair	$352,725	0
Lead Based Paint	0	$2,160,000
Indoor Plumbing and Rehabilitation Loans	$2,880,000	0
Disaster Recovery Initiative[1]	0	0
Derelict Structures	0	0
Shelter Expansion/Transitional Housing Program	$406,100	0
Shelter Operations and Support Services	$1,709,120	$2,370,000
Emergency Shelter Grants	0	$1,421,000
Homelessness Prevention	$4,500,000	$1,500,000
Services to Homeless Children	$360,000	$1,360,000
[Capacity Building Program]	$200,000	0
Appalachian Regional Commission	0	$3,500,000
TOTAL	$25,907,945	$21,420,134

D. GEOGRAPHIC DISTRIBUTION

Although there are no formal plans for geographic distribution of most of the housing resources identified in this Consolidated Plan, specific housing programs have measures to provide a fair distribution of available resources as follows:

- The Indoor Plumbing/Rehabilitation and the Dry well program only fund projects in CDBG non-entitlement jurisdictions.

- Under the HOME Match for the Supportive Housing Program, funding priority is given to Supportive Housing Program grantees located outside HOME entitlement jurisdictions and consortiums. If requests are significantly greater than the available funds, projects are evaluated through a competitive process. The priority ranking of the project in the local or regional Continuum of Care is considered.

- Transitional housing projects receiving awards of HOME funds through the SHARE Expansion Program for acquisition, new construction and rehabilitation will be restricted to areas where there is no HUD-approved funded Continuum of Care.

- The ESG-funded SHARE Federal Shelter Grant restricts funding for operations of facilities to incorporated nonprofit organizations and local governments that provide shelter for the homeless in non-ESG entitlement communities. The FY 2003 CPD Formula Program Allocation designates seven (7) localities as ESG entitlements: Arlington County, Fairfax County, and the Cities of (Remove Newport News from this list) Norfolk, Portsmouth, Richmond, Roanoke, and Virginia Beach.

  Funding through the essential services and prevention categories is restricted to shelter providers, including incorporated nonprofit organizations and local governments, community action agencies, public housing authorities, planning district commissions, local departments of social services, local departments of health, area agencies on aging, faith based organizations and nonprofit housing organizations in non-metropolitan areas of the state.

- HOPWA funds are limited to jurisdictions outside of the Northern Virginia-Washington D.C., Newport News-Virginia Beach, and Richmond-Petersburg EMSAs and are allocated to six geographic service regions: Southwest, South Central, Northwest, Eastern, Eastern Shore, and the Middle Peninsula. Each year regional funding targets are established using an “estimated need” that allocates 80 percent of program funds on the basis of the cumulative number of HIV and AIDS cases, excluding the deceased, reported to the Virginia Department of Health by local governments within in each of these regions. DHCD allocates the remaining 20 percent of HOPWA funds based

on each designated region's proportion of the land area in the balance of state.

The state HOPWA program currently encompasses 31,749 square miles. Based on surveillance data from the Virginia Department of Health through December 31, 2002, 6,005 persons were residing in one of the ninety-one (91) localities under the state HOPWA program when their first positive HIV antibody test was performed or when they were first diagnosed with AIDS (see *Distribution of HIV and AIDS Cases Within Program Service Regions*). These statistics are based on the number of cumulative cases of HIV and AIDS reported per locality since 1989 and 1982 respectively, excluding deceased cases. Overall, the cases distributed across the state HOPWA geographic service area account for 20.6% of all cumulative cases of HIV/AIDS in Virginia.

Projects in cities and counties not designated as HOME entitlements receive first priority; projects in HOME entitlement cities and counties receive second priority.

- Housing and community development activities undertaken with CDBG funds are limited to the area encompassed by CDBG non-entitlement localities. Although they are widely dispersed across the Commonwealth, most generally fall outside the bounds of metropolitan Virginia.

E. HOMELESS AND SPECIAL NEEDS ACTIVITIES

The Department of Housing and Community Development will continue to administer program funds from both federal and state sources directed toward improving the quality of existing shelter and transitional housing facilities and supportive services.

Additional funding using TANF, which first became available in January 2001, is used to provide supportive services and operations of providers that address the needs of homeless persons. During its 2002 regular session, the General Assembly reduced the TANF funds available for use during state FY 2003. The same year the General Assembly partially restored funding from this source for state FY 2004 and the 2003 session confirmed this action, providing $4,910,128 for the coming fiscal year.

DHCD will also continue to focus state-funded and TANF supported efforts on activities intended to prevent homelessness though the Homeless Intervention Program (HIP).

Information developed during the 2001 Housing Needs Assessment process suggests that many of the housing needs of the aging, the disabled, and other populations with special needs may increase in absolute, if not relative, terms in the future. DHCD will continue to explore additional opportunities to participate with other agencies and groups in finding ways to prepare for and meet these expanding needs and their relationship to supportive services. The work of the *Olmstead* Task Force during the past nine months has clearly underscored the critical importance of assuring the availability of adequate supplies of affordable, and accessible housing if Virginia is to realize its commitment to assuring that persons with disabilities can live as independently as possible within the communities of their choice. The Disability Commission has assigned a similar high priority to the housing needs of people with disabilities and continued to work with DHCD, consultants, and other agencies calling attention to those needs and recommending possible response to them.

F. OTHER HOUSING AND COMMUNITY DEVELOPMENT ACTIONS

Disaster Recovery Initiative

DHCD has implemented Action Plans for the 1997 and 1998 Disaster Recovery Initiatives that are currently providing support for the repair or replacement of housing and upgrades to critical utility and storm drainage facilities damaged as result of Hurricanes Fran (1996) and Bonnie (1998). All funds associated with those initiatives are currently under contract.

DHCD has implemented Action Plans for Disaster Recovery Initiatives that are currently providing support for the repair or replacement of housing and upgrades to critical utility and storm drainage facilities damaged as result of severe flooding and wind damage. All unused funds, including program income will be used for disaster recovery initiatives. In State FY2003, DHCD allocated $500,000 for the rehabilitation and/or replacement of homes in Hurley, Virginia (Buchanan and Russell Counties) to assist victims of Hurricane Floyd. This project will continue under construction in State FY2004.

Coordination with Low-Income Housing Tax Credits

VHDA is responsible for the administration of federal Low-Income Housing Tax Credit (LIHTC) in Virginia. LIHTC will continue be used with VHDA taxable and tax-exempt bond issues, the VHDA Housing Fund, the Virginia Housing Partnership, Community Development Block Grant (CDBG), and the HOME Investment Partnerships Program to develop multi-family rental housing. The two agencies have committed to coordinate the use of these resources to the greatest extent possible. As part of this commitment, Virginia statutes and the implementing regulations promulgated by DHCD for the state Low Income Housing Tax Credit firmly tie it to the federal credit. VHDA and the Virginia Department of Taxation cooperate in implementing this program.

Barriers to Affordable Housing

In the coming year, the State will take the following steps to address regulatory barriers to affordable housing:

- Continue to coordinate project funding through various sources in a way that will reduce nonessential duplicative requirements.
- Continue to administer a Uniform Statewide Building Code that emphasizes the attainment of public health and safety goals for new construction and maintenance at the lest cost consistent with those goals.
- Develop standards for the rehabilitation and productive reuse of existing residential and non-residential structures in accordance with recent legislative enactments.

- Offer training through the Building Code Academy that focuses on the provisions of the USBC that facilitate the maintenance, rehabilitation, development and reuse of existing buildings.
- Continue to use incentives in scoring competitively funded programs for reducing regulatory barriers at the local level.
- Promote the use of varied types of single-family dwellings in areas zoned agricultural and residential.
- Continue to scrutinize state enabling legislation, local land use ordinances, and introduced legislation with the potential to impede the production and preservation of affordable housing.
- Recommend support for legislation with the potential to increase housing affordability.
- Continue consult with the homebuilding industry, local governments, and affordable housing advocates in considering the potential impact of state statutes and local regulations on affordable housing.
- Pursue homeownership initiatives underway at the Department that assist lower-income households for the purchase of their first home.

Lead-Based Paint Hazard Reduction

The Department of Housing and Community Development (DHCD) will improve the inventory of lead-safe housing through the implementation of the Virginia Lead Safe Homes Program (VLSHP). DHCD has been awarded $2,160,000 of HUD's 10th Round lead-Based Paint Hazard Control Grant to fund the VLSHP. The program will provide funds to reduce the exposure of children to lead-based paint hazards in 120 units across four localities, which are the Cities of Petersburg and Danville, and the Counties of Accomack and Northampton on the Eastern Shore.

Localities with fewer than 50 reported Elevated Blood Lead Levels (EBLLs) between 1995 and 2001 were not considered. Of the remaining localities, the ones with the highest rates of poisoning were selected. This selection includes small cities and a large rural area. The VLSHP will target 3 Health Districts, which have had over 1,000 confirmed cases of children with EBLLs >15ug/dl during the past 7 years. While it is estimated that Virginia has approximately 25,000 children with elevated blood levels, the available data of confirmed cases result from laboratory reporting gathered between 1995 and 2001, which continues to be updated, and is not complete.

The project will: 1) apply interim control measures in single- and multi-family properties (4 or less units) within each target locality using HUD lead grant funds, local CDBG funds, and private funds; 2) couple Medical Case Management (MCM) with housing programs; 3) train local health districts on Medical Case Management protocol for lead-based paint poisoned children, and training on home maintenance procedures to affected households to prevent

lead-based paint poisoning; and 4) provide necessary training and education for contractors within the target localities.

Matching funds in the amount of $1,008,500 have been committed. The City of Danville has committed $360,000 of local CDBG dollars to couple with grant funds. Community Development Block Grant (CDBG) funds in the amount of $500,000 will be used in conjunction with VLSHP funds on the Eastern Shore to complete property rehabilitation (the use of CDBG funds require that all assisted properties meet Section 8 Housing Quality Standards at the time of completion). CDBG and lead-based paint grant funds will also be used to fund a licensed and certified lead-based paint construction contractor who will commit to completing the required number of lead hazard control projects within the period of performance, and who will commit to assist in the training and licensed lead workers. Other DHCD and Virginia Department of Health staff time and laboratory fees will leverage the grant activities for approximately $148,500.

Property Maintenance Education

All participating property owners will receive information about the importance of on-going maintenance since the primary cause of lead-based paint poisoning is deteriorated, cracked and peeling paint. Grant funds will be made available to property owners in the form of a two-year forgivable grant, and will require that the property remain affordable and available for occupancy to low-income families for a period of two years. Eligible properties will include single-family, owner-occupied, rental properties whose occupants are income eligible. Vacant properties that are designated to be occupied by a low-income family at the completion of all hazard reduction activities, and multi-family properties whose property owners can document the availability of all necessary rehabilitation funds and who commit to occupy the property with families who meet HUD's low-income guidelines, will also be eligible.

Health District as Educators

Participating health district staff will receive training on home maintenance to control dust as a low-cost method to control the effect and prevalence of lead dust in housing. Grant funds will reimburse Local Health Districts for the cost of blood screenings, nutrition education, and Home Maintenance Education to each family with a child with EBL and who qualifies for assistance through the sub-grantees housing programs. The United Parents Against Lead (UPAL) will train the Health District staff on how to conduct Home Maintenance Education, and will conduct some of the training on behalf of the Health Districts.

Project Evaluation

The data management and evaluation plan involves two components. First, The Center for Environmental Studies (CES) will analyze and design of the

program's data management system. Secondly, each sub-granted must plan and implement the evaluation system to provide both themselves and HUD with continuing feedback on program activities, as well as providing a final summative report of the program's successes, shortcomings and lessons learned. Through coordination of the data management activities, CES will be better placed to conduct the evaluation activities for the program.

Housing Stock

The 1990 census data for housing was used to determine housing location and age. It was determined that Virginia ranks 17th among all 50 states in the total number of housing units built before 1950. Recently, released 2000 census data ranked Virginia 19th among all states in this category. Also, 50 of Virginia's 136 counties and cities have more than the national average of 27% of housing built before 1950. In the two small cities and the Eastern Shore this housing is almost exclusively single frame dwellings, with very few multi-family properties.

Our fact-finding efforts have found two estimates that are relevant to the need for a Lead Control Grant in Virginia. The sources of these estimates are the "Report on the National Survey of Lead–Based Paint in Housing, April, 1995, U.S. Environmental Protection Agency". The first study is "Housing Units Estimated to Have Dust Lead Exceeding Guidelines in Virginia" which found 217,141 housing units that have elevated dust levels. The second study is "Housing Units Estimated to Have Dust Lead Exceeding Guidelines and that are Affordable in Virginia" which found 134,987 housing units that have elevated dust levels. These estimates are based on 1995 HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing. Since this study was completed, clearance guidelines of dust levels have been lowered making these 1995 study numbers understated. More housing units are classified as a hazard today because of these more restrictive dust clearance levels.

Reduce the Number of Poverty Level Families

DHCD will promote and coordinate housing services with activities that help reduce the number of poverty-level families in Virginia. Virginia continues to pursue several economic development initiatives that, like economic development and self-help portions of the CDBG program, are also intended to strengthen local economies, increase employment opportunities, and enhance business opportunities, particularly within lower income communities or portions of communities. These include the following:

- The **Virginia Enterprise Zone Program**, which offers tax incentives for businesses to hire and invest in distressed communities and areas of the state that have lagged behind the overall growth of the State's economy.

- The **Virginia Enterprise Initiative**, which leverages private sector support for community-based micro enterprise (self-employment) programs; these programs in turn provide access to capital and business skills to aspiring low-income entrepreneurs.

Interagency and Public Entity Coordination

DHCD will work with a variety of state and federal agencies in the implementation of all of its Consolidated Plan priorities. State agencies include the Virginia Housing Development Authority (VHDA), the Virginia Housing Study Commission (VHSC), the Virginia Department of Taxation (TAX), the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS), the Department of Social Services (DSS), VDA, and the Department of Rehabilitative Services. Federal agencies include Department of Energy (DOE), HUD, the Appalachian Regional Commission (ARC), and the Rural Development Administration (RDA) of USDA. These agencies will be invited to participate in the review of input from focus groups, as appropriate, and the development of the draft priorities and objectives. At the local level, DHCD anticipates working with public housing authorities and units of local government.

One of the priorities identified in the State's Consolidated Plan is to "Develop partnerships at the State, local, community and regional levels that facilitate coordinated use of resources and shared accountability." This priority will guide the development and implementation of housing and community development programs to the extent possible.

Expected Outcomes

DHCD estimates the outcomes of its proposed activities based on historical data and the level of approved funding from various sources. The expected results of the actions, as proposed, include:

Designing, developing, and implementing housing programs, with $24 million in state and federal resources, providing:

- Down payment assistance to 375 first-time homebuyers
- Emergency and transitional housing to 23,000 persons
- Emergency repairs to 500 homes
- Weatherization improvements including heating system repair to 2,500 homes
- Development of and rehabilitation of 250 rental units
- Certification of five new CHDOs
- Funding for 40 child services coordinators in at least 25 shelters
- Technical assistance to 200 housing sponsors (nonprofit and for profit)
- Assistance to 2,500 households threatened with eviction or foreclosure

- Assistance for 350 households with indoor plumbing and associated rehabilitation
- Management and administration of the New Housing Development Assistance Fund
- Reducing the exposure of children to lead-based paint hazards in 48 units across four localities, which are the Cities of Petersburg and Danville, and the Counties of Accomack and Northampton on the Eastern Shore.

and further providing:

- More than thirty eligible communities receive $18.3 million in Community Improvement Grants for housing, economic development, and community development activities that will benefit LMI persons, eliminate slums and blight, and meet urgent local needs for community facilities
- $2,992,370 to meet 2000 CDBG letters of intent to fund projects in 2002 and provide $838,840 in support to a FY 2000 multi-year housing project
- $ 1,000,000 to provide a dry well replacement program
- $500,000 available for CDBG planning grants to assist localities develop responses to locally perceived housing, economic development, and community development needs

In addition, DHCD will:

Administer $3.5 million in Appalachian Regional Commission funding for projects targeting at least one of the five ARC goal areas:

- Education
- Infrastructure
- Leadership and Civic Development
- Economy
- Health

Virginia's administration of Appalachian Regional Commission (ARC) Program funds fosters economic development and improves the quality of life for Appalachian citizens. The Program provides assistance in the long-term development of a chronically depressed region encompassing 23 counties and 7 independent cities in Southwest Virginia. Special efforts address assistance to designated distressed counties (Buchanan, Dickenson, Lee, Russell, and Wise). Local Planning District Commissions (PDC) provide local participation in the ARC program. Each PDC provides technical assistance to localities and organizations in its district. The largest portion of Virginia's ARC Funding is available to Appalachian region localities through the Area Development Program. This program targets all of Virginia's ARC localities as well as designated Distressed counties in far Southwest Virginia. Projects may address any eligible goal area, but most recipients use them to fund projects providing infrastructure or improving local economies.

ARC occasionally develops special Initiatives that focus on an aspect of a particular ARC goal area. ARC allocates funding, generally annually over a three- year period, to each of the 13 states in the ARC region to implement these Initiatives. Virginia is in its fourth year of implementing the ARC Entrepreneurial Initiative, which began in 1997 and targets the Commission's goal of providing "Appalachian residents . . . [with] access to technical and financial resources to help build dynamic self-sustaining communities." Virginia has used this Initiative's funding to invest in business incubators, small business training programs, and business financing efforts that create new businesses and job opportunities in Appalachian Virginia.

Virginia also anticipates placing $200,000 into a Telecommunications Initiative, using $150,000 in ARC special initiative funds and $50,000 from the $3.5 million Area Development program funding.

G. PROGRAM SPECIFIC REQUIREMENTS

HOME Investment Partnerships Program

Guidelines for Home Ownership Resale and Recapture

The State has chosen the option of recapturing the full HOME investment out of the net proceeds of the sale. The term of the deferred loan, secured by a junior mortgage, ranges from five to fifteen years depending on the amount of HOME funds invested. The loan documents allow the State to approve the assumption of the remaining term of the loan, at time of sale, by an income-eligible purchaser.

Program Income

The State anticipates approximately $18,463 in program income attributed to the HOME Investment Partnership Fund. This income is in the form of interest earnings on multifamily projects and recapture of HOME funds on rehabilitated owner-occupied units due upon transfer of ownership of property. The income will be used for other HOME-eligible activities.

In addition, the Indoor Plumbing/Rehabilitation Program has continued to be administered as a loan program. Repayments are made based on the homeowner's financial capacity. The subrecipient retains repayments under IPR for use on other HOME-eligible projects. Each subrecipient must develop a plan for utilizing any program income and report program income to the State.

Affirmative Marketing/Minority and Women Business Outreach

DHCD requires sponsors for projects consisting of five or more units to adopt affirmative marketing procedures and requirements. DHCD provides each sponsor with a model affirmative marketing strategy that may be adapted to meet the individual project's specific features. The Department reviews draft strategies and requires that sponsors submit their final or adopted strategies for review and approval before giving its final funding commitment. These procedures and requirements must include the project sponsor's methods for informing all parties of the fair housing laws and the policies, requirements and practices that the owner must carry out to assure the widest possible outreach, record keeping requirements, and the method to be used to assess the success of the marketing strategy.

Minority and women's business enterprise outreach requirements apply to all housing programs operated by DHCD. However, HOME-funded projects are subject to requirements that are more specific. Project sponsors are required to take several steps to facilitate participation by small women-owned and minority enterprises. These include dividing procurement s for goods, services, and

contracts, where possible, into small segments; establishing delivery schedules to encourage their participation; publishing notices via *legal advertisement* in *regional* newspapers of anticipated contracts, services and procurement; maintaining solicitation lists; giving construction contractors copies of this solicitation list; including goals for women-owned and minority business goals in construction contract documents; and maintaining a register of all minority and women-owned enterprises actually used. Contract documents and individual project goals must be sent to DHCD at the time that the project sponsor is preparing bid specification packages. Project sponsors are responsible for requiring contractors to submit information monthly on minority and women-owned enterprise.

Methods of Distribution for Components of the State's HOME Allocation

ANTICIPATED USE OF FUNDING IN 2003

In 2003, Virginia's Home Investment Partnership funding will be allocated to the following principal categories of usage: State Administration, Down Payment and Closing Cost Assistance for Home Ownership, Multifamily Rental and Home Ownership Development (including the mandatory 15% CHDO set-aside), Indoor Plumbing and Rehabilitation Loans, Shelter Expansion/Transitional Housing Grants, HOME Match for Supportive Housing, and CHDO Operating Support.

Anticipated HUD Allocation	$15,802,000
CHDO Operating Assistance*	0-
Single Family Homeownership	3,721,800
Multifamily Development (AHPP)**	4,500,000
Indoor Plumbing and Rehabilitation	5,000,000
HOME Match for Supportive Housing	600,000
Shelter Expansion/Transitional Housing Program	400,000
Transitional Rehabilitation Pilot Project	200,000
State Administration	1,380,200
Total Uses	$15,802,000

*CHDO Operating Assistance will be provided through carryover of FY2002 funds.
**Including CHDO Set-Aside and CHDO Predevelopment Fund

A minimum of 15% or $2,370,300 of the State's HOME allocation award is allocated to the Affordable Housing Production and Preservation Program (AHPP) and will be restricted for use by State Certified CHDOs as required by HUD's HOME Regulation. Up to 10% or $237,030 of the mandatory 15% CHDO set-aside will be provided for eligible CHDO Predevelopment activities if requested by State Certified CHDOs. All CHDOs seeking predevelopment funding must provide evidence through the State's AHPP application process that it is ready to pursue a viable multifamily rental or single-family homeownership development. All or a portion of the remaining amount in this category may be made available to non-CHDO entities if qualified affordable housing proposals are received by DHCD.

Total funds available in 2003 include program income, reprogrammed, and unused funds from prior funding years. DHCD allocates HOME Program funding to programs when it is received. State administrative costs are excluded for housing programs. Any *unused* HOME administration funds are reprogrammed to support program activities in accordance with the Plan and the State's Public Participation Guidelines.

The State sets aside 15 percent of its HOME allocation for housing development activities in which CHDOs are the owners, developers, and/or sponsors of housing. In its FY2003 program design, the state also will carry forward FY02 reprogrammed funds of $634,663 to provide project development assistance to CHDOs, and $4,000,000 for the Affordable Housing Preservation and Production Program, which include the CHDO Predevelopment Loan Funds.

Community Housing Development Organizations

A CHDO is a private nonprofit, community-based service organization whose primary purpose is to provide and develop decent, affordable housing for the community it serves. Certified CHDOs receive certification from a Participating Jurisdiction (PJ) indicating that they meet certain HOME Program requirements and therefore are eligible for HOME funding.

HOME funds are available through DHCD exclusively for qualified, eligible CHDO projects and operating expenses. An organization certified as a CHDO is eligible to take advantage of the HOME funds set-aside just for CHDOs, as well as additional special technical assistance. CHDO set-aside funds provide equity for community-based organizations to undertake projects, build their capacity to serve a broad range of affordable housing needs, and provide guaranteed resources for affordable housing development.

The funds that have been set aside for CHDO Operating will not only be used for organization's operating fund towards expenses in developing a project. Some of these funds will also be used for training CHDOs to help build their capacity and longevity. Eligible trainings activities may include the following but not limited to:

(Becoming legally incorporated and certified as CHDOs
(Developing and sustaining community partnerships
(Raising private funds to match HOME funds, and for operations
(How to provide effective homeownership counseling and training for prospective homebuyers and renters.
(Planning and managing successful real estate projects

<u>CHDO Operating Assistance</u>

CHDOs that either are certified or are eligible to be certified by DHCD as a state-certified CHDO are eligible to apply for CHDO Operating Assistance Funds. The CHDO Operating Assistance Program is based on the development of a project. These funds provide operating support to secure the technical assistance and training necessary to obtain CHDO Set-Aside funds for an affordable housing project and to provide general operating support during the development of CHDO Set-Aside funded affordable housing projects. This

funding support program is intended to assist organizations that can demonstrate a need for operating support.

Distribution Methodology

This program is open year round until funds are depleted. During fiscal year 2003, approximately $450,000 will be available with maximum awards of $40,000 per year, or $80,000 over a two- year period per project based on the number of HOME assisted units to be developed. A maximum of $5,000 per unit will be awarded for each project. An organization may not receive more than $50,000 or 50% of their operating budget for the project in question; which ever is greater, in a 12-month period. These funds are available to certified CHDOs on a first-come first–served basis.

Program Requirements

For CHDO project-based operating assistance, the following guidelines apply:

- Applicant must be certified by the state for the area where the project is located.
- Applicant must be a state certified CHDO.
- Applicant may be funded for up to five projects
- Applicant has a history of serving the community within which housing to be assisted with HOME funds is to be located, as evidenced by documentation of a least one year of experience in serving the community or for new organizations, there must be an assessment and work plan with the Office of Community Capacity Building unit at DHCD
- Applicant must provide a copy of their fully executed contract or commitment letter for Predevelopment/AHPP loan funds with the Department of Housing and Community Development.

Funds may be used as follows:

- Salaries, Wages, and Benefits
- Rent and Utilities
- Training and Travel
- Technical Assistance
- Equipment and Supplies
- Internet Access and Communications
- Contracted Professional Service

All funds must be used for operational expenses. No funds may be used for project costs. Grant agreement term is 12 months with opportunity for additional 12 months for each project. The applicant is expected to complete the HOME funded project within 24 months and remain in compliance with the HOME rules and regulations.

There is a cash match requirement of 25%, which may be met by local government, state government, or private funds. This match must be applied to operating expenses. Funds received for administering other programs may not be used as match. The applicant must have at least 25% of the total cash match requirement on hand at time of grant execution. A source document must be submitted along with the funding application. Grantees must submit paid invoices with each programmatic and financial report in order to receive additional funding. Paid invoices will be reimbursed at a rate of 75%. The remaining 25% will represent the grantee's portion of cash match. If funded, applicants will be required to submit a work plan with organizational and project milestones. If any portion of the funds are used to support salaries, applicant will be required to provide evidence of sound employment practices, including copy of employment policy, job description, and copy of resume of current employee if applicable. If successful, the applicant will also be required to provide copies of approved conflict of interest and procurement policies. Successful applicants will be required to participate in the Consolidated Planning Process as well as conduct at least one fair housing activity each year. Applicants will also be required to submit an updated report on their Comprehensive Organizational Plan.

Funding Thresholds

DHCD requires that an organization have a written commitment from the Affordable Housing Preservation and Production program (AHPP) before being considered for operating assistance approval. DHCD has the right to approve up to the maximum amount allowed. The amount approved will be based upon the actual amount of developer's fees that have been stated in the cost analysis of AHPP loan application.

Geographical considerations

Virginia's 23 Certified CHDOs emphasize on assisting regions to develop decent, affordable and good quality structures for the underserved areas in the state as well as for the areas where low to very low-income persons face severe affordability problems.

Affordable Housing Preservation and Production Program

The Affordable Housing Production & Preservation program (AHPP) is an open-submission application process that will be funded primarily from the Commonwealth of Virginia's HOME allocation in state FY 2004. The AHPP program provides flexible, below-market-rate loans to projects for the creation or preservation of affordable housing for lower-income Virginians. DHCD also anticipates approximately $15 million in revenue form the sale of the Virginia Housing Partnerships Fund (VHPF) as mandated by the 2003 session of the Virginia General Assembly. Funds obtained from the sale of the VHPF will constitute a new fund that will serve primarily as a resource for predevelopment expenses and special projects for hard-to-do and special needs projects on

potential AHPP deals. DHCD will make every effort to leverage the new funds with resources from the private sector. The Virginia Department of Housing and Community Development will administer this new fund.

Distribution Methodology

DHCD uses its annual conference, website, contacts with the affordable housing development community, and an array of media to communicate the nature and market the availability of HOME and other dollars linked to its Affordable Housing Preservation and Production Program.

HOME funds assigned to the AHPP program are distributed on a first-come first-serve basis to qualified developers of affordable housing, including certified CHDOs undertaking CHDO eligible activities throughout the Commonwealth of Virginia. All AHPP projects undergo a review by DHCD staff against organizational needs assessment, and community-specific market studies and non-predevelopment loans are underwritten. All funds are intended for use with other types of financing including, but not limited to, low income housing tax credits, bond financing, and other public and private funds.

AHPP funds are designed to fill the gap in permanent financing to make a project feasible for the creation and preservation of affordable housing for lower-income households. In addition to the CHDO requirement, applicants for AHPP funds must be an owner of the project. Only CHDO's can apply for the Predevelopment Loan Fund linked to the AHPP program.

AHPP funds are only disbursed at the completion of construction, when DHCD takes out 100 percent of the construction financing. For multifamily construction, DHCD can reserve financial commitments up to two (2) years before a project is completed and HOME funds are requested to take out construction loans. For homeownership projects, HOME funds can be disbursed for construction draws at 30 percent for 3 intervals and the remaining 10 percent at project completion.

Applicant/Project Eligibility

Any entity including private non-profits and for-profit organizations and public housing authorities may apply for these resources via an open submission application process. DHCD intends to certify only those CHDOs serving participating jurisdictions (PJs) lying within state program areas (primarily non-metropolitan communities). Other entitlement PJs will have to certify their own CHDOs and be accountable to ensure they do not exceed funding limits for operating/technical assistance support. In the case of regional organizations (e.g., consortia) comprising communities lying both within the program area of the state and of other participating jurisdiction areas, DHCD would certify only for the jurisdictions lying with the state areas.

Eligible projects for AHPP program funding include:

- Multifamily housing consisting of five (5) or more attached units developed and secured under one deed;
- Rental housing containing four or more units with no individual structure having more than four attached units; properties can be single-family detached, duplexes, etc.; homes can be scattered site but should be in reasonable proximity (i.e. neighborhood); and congregate housing and single room occupancies are included in this category;
- Homeownership (CHDO only) defined as units developed for sale to lower-income, first-time homebuyers. Short-term lease/purchase projects (lease period not more than three (3) years) are considered homeownership projects.

Funding thresholds

AHPP funds are available to the extent that a gap exist in the permanent financing for an eligible project and that the funding requested has a positive impact on the affordability of the housing provided. DHCD and its underwriters reserve the right to recommend increases or decreases to fund requests based on cash flow, rents, other financing, etc. Generally, however, loans will be limited to $500,000 per project or the maximum allowed based on maximum per unit subsidies allowable under the HOME program, whichever is the lesser.

Geographical considerations

Although no high priority geographic areas have been designated specifically to direct the distribution of AHPP resources, DHCD works diligently to focus its AHPP assets on underserved regions of the state, primarily rural areas (non-metropolitan communities) and those urban areas such as Northern Virginia where housing affordability is bleak. The existing network of twenty-three (23) CHDO's are well distributed across the state.

Single Family Regional Loan Fund

The Single Family Regional Loan Fund (SFRLF) is a joint initiative between the Virginia Department of Housing and Community Development (DHCD) and the Virginia Housing Development Authority (VHDA). The SFRLF was developed as a non-competitive pilot program in 1996 to provide a comprehensive home ownership assistance program for low-income first-time homebuyers across the state with incomes at or below 80% AMI. Organizations were encouraged to apply annually until the entire state had full access the program. Initial participation in the pilot program was limited to organizations that could demonstrate the capacity to administer housing counseling and intake. Since its inception, the program has grown to levels that make the program accessible on a statewide basis. Today, the fund specifically targets lower-income individuals and families **at or below 60% AMI**. This programmatic shift took place in 2000 because of direct public input from DHCD's Consolidated

Planning process and its *Analysis of Housing Needs in the Commonwealth* (Nov. 2001).

Formula Allocation Plan

Organizations are primarily allocated funding support based on their loan pool allocation from VHDA. For every $1,000 of leveraged mortgage financing, the HOME Partnership Fund (HOME) allocates up to 10% plus $2,000 of assistance for down payment and/or closing costs. After amounts are earmarked to cover VHDA loan commitments, additional monies are awarded to each Regional Administrator based on their previous year's use of HOME funding as a percent of total volume. All commitments for VHDA loan pool monies and HOME assistance are detailed in an executed contract agreement between the Regional Administrator, VHDA and DHCD that historically expire on September 30 of each calendar year. All contract agreements are limited to a one-year term. All unused HOME funding available at the end of each round will represent DHCD's carryover balance for reporting purposes. The annual amount of carryover will be de-obligated and returned to the HOME program for future use in the SFRLF for the following round of funding.

Distribution Methodology

DHCD provides HOME funds to regional administrators for use as down payment and closing cost assistance. Administrators may defer, forgive, or amortize HOME funds as they deem appropriate. Any structure of HOME funds must comply with the federal HOME Investment Partnership Final Rule at 24 CFR Part 92.

The distribution process begins with the annual approval of the state contributions to the SFRL and the interest rate charged. Subsequently, discounted first mortgage monies are made available for first-time homebuyers that can credit qualify for VHDA financing. Mortgages can be originated through an approved VHDA-approved lender or via the VHDA Mobile Van and combined with down payment and/or closing cost assistance from DHCD's allocation of the HOME funds to make the transition into homeownership seamless. SFRLF resources may be used with other leveraged sources to provide creative affordable loan structuring. For instance, HOME funding support can be used with Rural Development products and community lending initiatives (i.e. CRA portfolio loan products) to help address the needs of clients that cannot qualify for VHDA financing. We believe this type of flexibility help make the best use of all available loan resources to benefit clients at or below 60% of the area median income (AMI)**.**

The SFRLF operates through local partnerships with governmental entities, non-profit housing service providers, and mortgage lenders across the Commonwealth. Presently, 17 regional administrators offer intake services, housing counseling, and pre-qualification screening for eligibility on a first-come, first-serve basis. The program structure promotes equitable access to the Fund

by all entitlement and non-entitlement communities based on applied income and credit criteria.

Each Regional Administrator is responsible for the day-to-day management of the SFRLF. These tasks include:

- Acting as the client liaison between DHCD/VHDA
- Marketing the program to area lenders for greater participation in the Fund
- Screening and pre-qualifying clients for eligibility
- Arranging homebuyer counseling and education for eligible clients. A copy of the VHDA client certificate and budget must accompany each loan package submission to the lender.
- Managing the intake process and archiving applications for five (5) years
- Providing the lender with a Financial Information Sheet (FIS) to outline all applicable program costs associated with closing the loan. Proper disclosure to Originating Agent is required for all fees to be collected on behalf of the Regional Administrator
- Communicating with VHDA, Originating Agent and Closing Agent to establish closing date and receipt of grant money.
- Promptly notifying VHDA and DHCD of any changes in grant monies after loan commitment. Increases require a revised FIS**.**
- Maintaining current records of loan status, sources of funding, and client demographics
- Providing all documentation needed to process HOME assistance requests from DHCD. (This includes submitting Project Set-up and Project Completion packages in a timely manner.)
- Managing the appropriate use HOME funding support based on client need
- Identifying other sources of down payment and/or cost assistance for clients in their marketplace

Originating Agent: The bank or mortgage company that originates the loan on behalf of VHDA (the lender).

All originating agents are responsible for determining the final loan amount based on all resources outlined on the FIS. If questions arise concerning client eligibility, the Originating Agent should contact the Regional Administrator before submitting the loan for underwriting.

The Originating Agent is responsible for the following tasks:

1. Submission of a complete and accurate underwriting package to VHDA. Underwriting packages must include a complete and accurate FIS and Good Faith Estimate.
2. Review of VHDA mortgage loan commitment and satisfactory compliance with all conditions prior to closing

3. Instructing Closing Agent to forward a complete and accurate preliminary closing package to VHDA closing staff. Packages must be received three business days before estimated closing date.
4. Simultaneous review of preliminary closing package with VHDA closing staff
5. Originating Agent should notify VHDA immediately of any changes once the loan commitment is issued.
6. Receipt of final closed package from Closing Agent for delivery to VHDA within 10 business days from date of closing

Because DHCD serves as a state Participating Jurisdiction (PJ), the Housing Program Administrator is responsible for processing requests for HOME assistance. DHCD is responsible for tracking all production related to HOME funds administered by the State. The Regional Administrator must submit all requests for down payment and/or closing cost assistance using state HOME funds to DHCD for processing. Disbursement requests cannot be approved without a copy of the commitment letter from the lender indicating its intent to finance the first mortgage. Disbursement requests are processed within 30 days of receipt by DHCD. The Regional Administrator must indicate where HOME funds should be directed based on the information provided on the Disbursement Request form. If funding support is to be directed to another source other than the Regional Administrator (i.e. the settlement company), payment instructions must be noted on the Disbursement Request.

Closing Agents

A settlement company or attorney may be used to close a loan originated under the SFRLF. Delegated closing is strictly prohibited. The Regional Administrator must ensure that the selected agent is familiar with VHDA closing procedures and the basic requirements for applying HOME support at settlement. At minimum, the closing agent should (1) understand where all sources of certified funds will be coming from, and (2) the requirement of homebuyer's 1% contribution.

The Closing Agent responsibilities include:

1. Submission of complete, accurate review package to VHDA closing staff 3 business days prior to estimated closing date
2. Compliance with all closing instructions of VHDA staff and Originating Agent
3. Coordinate receipt of closing funds with VHDA, Originating Agent and Regional Administrator for settlement
4. Return of final closing package to Originating Agent as instructed to allow delivery to VHDA. Separate checks must be issued for per diem interest and escrow funds with this final package
5. Delivery to Regional Administrator final documents (documentation

securing secondary funding) and fees which were executed and collected at closing

Applicant Eligibility

Funding is made available and intended to provide mortgages to those households that cannot financially qualify for other mortgage products. The funding should be targeted to those households with incomes not exceeding sixty percent (60%) of the area median income (AMI) as established by the U.S. Department of Housing and Urban Development (HUD) adjusted by family size. Income waivers for this requirement are granted under the following conditions:

- SPARC loans at or below 80% AMI
- Community Reinvestment Act (CRA) portfolio products originated through an approved VHDA lender

All funds (VHDA loan pool and HOME down payment and closing cost assistance) are reserved for first-time homebuyers who are defined as not having an ownership interest in a primary residence within the past three years. Applicants will be required to provide tax returns for the three tax years before the year of application. NOTE: Applicants purchasing homes in some areas including qualified census tracts and economically distressed areas do not have to meet the first-time homebuyer requirement. DHCD reserves the right to review all loan applications for primary loans originated by other lenders when HOME funds are requested. In general, underwriting requirements expected of other lenders should be consistent with VHDA underwriting requirements. HOME funds must be in second lien position unless otherwise approved by DHCD.

Other Eligibility Requirements

The applicant(s) must:

- Have a Social Security number and authorization to work in the United States
- Be related by blood, marriage, adoption, or legal custodial relationship; and
- Have net worth not exceeding fifty-percent (50%) of sales price of home.

In addition to the general eligibility requirements highlighted earlier, the borrower must be creditworthy using the VHDA underwriting criteria. The Regional Administrator or local partner is responsible for making an initial determination of pre-qualification based on information received from the client during the intake process. The Originating Agent and processor will further qualify the applicant based on a completed application, credit report and verifications.

The homebuyer is expected to contribute one percent (1%) of the purchase price of the property. The contribution may include fees paid by the borrower at the time of application (appraisal fee, credit report fee) and the earnest money deposit. The homebuyer's 1% required contribution cannot be made by a third party, Regional Administrator or non-profit. All loans will be originated and underwritten using the one-percent required contribution.

The homebuyer's contribution may change at closing. Because it is difficult to determine the exact amount needed to close a loan, the homebuyer should be notified that they may be required to provide up to an *additional* one-half percent (1/2%) of the purchase price at closing. The Single Family Regional Loan Fund will also allow the final contribution to be as low as one half percent (1/2%) of the purchase price. Funding needs outside of these parameters, either more or less, may require an adjustment in the amount of HOME funds or, if HOME funds are not provided, an adjustment in the loan amount. If necessary, VHDA will adjust amounts at loan commitment to comply with this minimum investment requirement.

Regional Administrators will control the amount of HOME funds used to transact the closing. If additional cash is available and HOME assistance was provided, the additional cash must be returned to the HOME program in excess of the homebuyers required contribution. If HOME funds were not provided, the loan amount must be adjusted. Any changes resulting in an increase of HOME funds or other sources of secondary financing will need to be reflected on a corrected FIS.

Funding thresholds

Each of the 17 Regional Administrators is awarded HOME funding to pay for down payment and closing cost assistance to first-time homebuyers. The amount committed to each administrator is based on past levels of production as provides assistance of roughly 10 percent of the loan amount to each successful mortgage applicant, with adjustments made for high cost areas such as northern, Virginia.

Geographical considerations

Regional Administrators are geographically distributed to provide accessibility to Virginia Resident in all regional of the state. The SFRLF also reaches outlying areas through of VHDA's mobile unit. The following list shows the current Regional Administrators and their corresponding service areas:

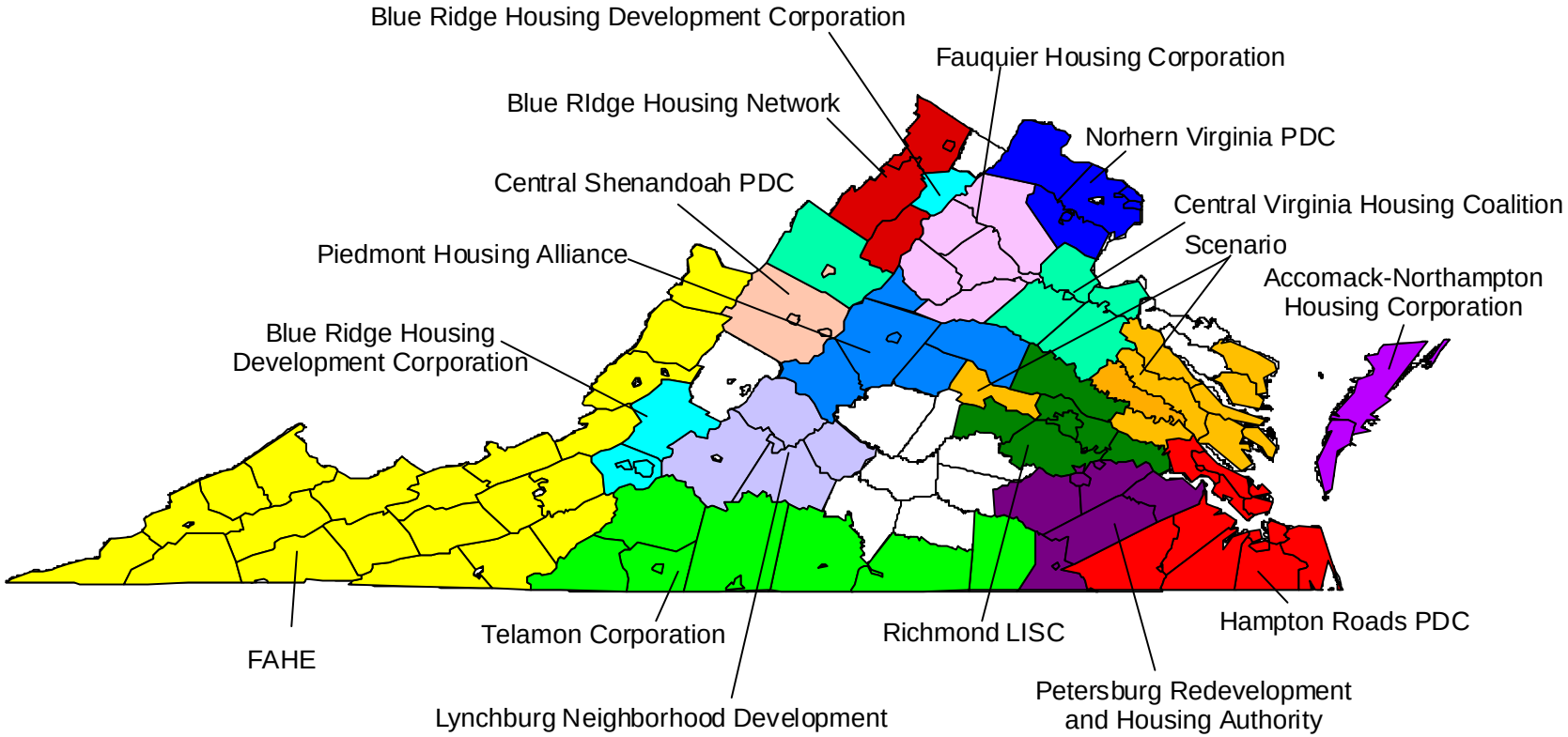
2003 SFRLF REGIONAL ADMINISTRATOR CONTACT INFORMATION BY LOCALITY

LOCALITY	REGIONAL ADMINISTRATOR	CONTACT	PHONE
Accomack	Accomack-Northampton Hsg. Corp.	Darlene Burton	757-787-2800
Albemarle	Piedmont Housing Alliance	Rebecca Sterne	434-817-2436
Alexandria	Northern VA PDC	Michelle Simmons	703-642-0700
Allegany	FAHE	Melissa Coffey	859-986-2321
Amherst	Lynchburg Neighborhood Dev.	Laura Dupuy	434-846-6964
Appomattox	Lynchburg Neighborhood Dev.	Laura Dupuy	434-846-6964
Arlington	Northern VA PDC	Michelle Simmons	703-642-0700
Augusta	Central Shenandoah PDC	Bonnie Riedesel	540-885-5174
Bath	FAHE	Melissa Coffey	859-986-2321
Bedford	Lynchburg Neighborhood Dev.	Laura Dupuy	434-817-2436
Bland	FAHE	Melissa Coffey	859-986-2321
Brunswick	Telamon Corporation	Robin Roark	434-656-8357
Buchanan	FAHE	Melissa Coffey	859-986-2321
Campbell	Lynchburg Neighborhood Dev.	Laura Dupuy	434-846-6964
Caroline	Central VA Housing Coalition	Mary Ann Bryant	540-373-5372
Carroll	FAHE	Melissa Coffey	859-986-2321
Charles City	Richmond LISC	Regina Fields	804-644-0548
Charlottesville	Piedmont Housing Alliance	Rebecca Sterne	434-817-2436
Chesapeake	Hampton Roads PDC	Dave Gist	757-420-8300
Chesterfield	Richmond LISC	Regina Fields	804-644-0548
Clark	Blue Ridge Housing Network	Susan Acri	540-635-7339
Colonial Heights	Petersburg Redevelopment and Housing Authority	Theda Peterson	804-733-2200
Craig	FAHE	Melissa Coffey	859-986-2321
Culpepper	Fauquier Housing Corporation	Michelene Hostetter	540-341-2805
Danville	Telamon Corporation	Robin Roark	434-656-8357
Dickenson	FAHE	Melissa Coffey	859-986-2321
Dinwiddie	Petersburg Redevelopment and Housing Authority	Theda Peterson	804-733-2200
Emporia	Petersburg Redevelopment and Housing Authority	Theda Peterson	804-733-2200
Essex	Scenario	Donna Thompson	804-769-1492
Fairfax	Northern VA PDC	Michelle Simmons	703-642-0700
Falls Church	Northern VA PDC	Michelle Simmons	703-642-0700
Fauquier	Fauquier Housing Corporation	Michelene Hostetter	540-341-2805
Floyd	FAHE	Melissa Coffey	859-986-2321
Fluvanna	Piedmont Housing Alliance	Rebecca Sterne	434-817-2436
Franklin	Hampton Roads PDC	Dave Gist	757-420-8300
Franklin County	Telamon Corporation	Robin Roark	434-656-8357

LOCALITY	REGIONAL ADMINISTRATOR	CONTACT	PHONE
Frederick	Blue Ridge Housing Network	Susan Acri	540-635-7339
Fredericksburg	Central VA Housing Coalition	Mary Ann Bryant	540-373-5372
Giles	FAHE	Melissa Coffey	859-986-2321
Gloucester	Scenario	Donna Thompson	804-769-1492
Goochland	Scenario	Donna Thompson	804-769-1492
Grayson	FAHE	Melissa Coffey	859-986-2321
Green	Piedmont Housing Alliance	Rebecca Sterne	434-817-2436
Greensville	Petersburg Redevelopment and Housing Authority	Theda Peterson	804-733-2200
Halifax	Telamon Corporation	Robin Roark	434-656-8357
Hampton	Hampton Roads PDC	Dave Gist	757-420-8300
Hanover	Richmond LISC	Regina Fields	804-644-0548
Harrisonburg	Central Shenandoah PDC	Bonnie Riedesel	540-885-5174
Henrico	Richmond LISC	Regina Fields	804-644-0548
Henry	Telamon Corporation	Robin Roark	434-656-8357
Highland	FAHE	Melissa Coffey	859-986-2321
Hopewell	Petersburg Redevelopment and Housing Authority	Theda Peterson	804-733-2200
Isle of Wight	Hampton Roads PDC	Dave Gist	757-420-8300
James City Co.	Hampton Roads PDC	Dave Gist	757-420-8300
King & Queen	Scenario	Donna Thompson	804-769-1492
King George	Central VA Housing Coalition	Mary Ann Bryant	540-373-5372
King William	Scenario	Donna Thompson	804-769-1492
Lancaster	Scenario	Donna Thompson	804-769-1492
Lee	FAHE	Melissa Coffey	859-986-2321
Loudon	Northern VA PDC	Michelle Simmons	703-642-0700
Louisa	Piedmont Housing Alliance	Rebecca Sterne	434-817-2436
Lynchburg	Lynchburg Neighborhood Dev.	Laura Dupuy	434-846-6964
Madison	Fauquier Housing Corporation	Michelene Hostetter	540-341-2805
Manassas	Northern VA PDC	Michelle Simmons	703-642-0700
Martinsville	Telamon Corporation	Robin Roark	434-656-8357
Mathews	Scenario	Donna Thompson	804-769-1492
Mecklenburg	Telamon Corporation	Robin Roark	434-656-8357
Middlesex	Scenario	Donna Thompson	804-769-1492
Montgomery	FAHE	Melissa Coffey	859-986-2321
Nelson	Piedmont Housing Alliance	Rebecca Sterne	434-817-2436
New Kent	Scenario	Donna Thompson	804-769-1492
Newport News	Hampton Roads PDC	Dave Gist	757-420-8300
Norfolk	Hampton Roads PDC	Dave Gist	757-420-8300
Northampton	Accomack-Northampton Hsg. Corp.	Darlene Burton	757-787-2800
Northumberland	Scenario	Donna Thompson	804-769-1492
Orange	Fauquier Housing Corporation	Michelene Hostetter	540-341-2805

LOCALITY	REGIONAL ADMINISTRATOR	CONTACT	PHONE
Page	Blue Ridge Housing Network	Susan Acri	540-635-7339
Patrick	Telamon Corporation	Robin Roark	434-656-8357
Petersburg	Petersburg Redevelopment and Housing Authority	Theda Peterson	804-733-2200
Pittsylvania	Telamon Corporation	Robin Roark	434-656-8357
Poquoson	Hampton Roads PDC	Dave Gist	757-420-8300
Portsmouth	Hampton Roads PDC	Dave Gist	757-420-8300
Powhatan	Richmond LISC	Regina Fields	804-644-0548
Prince George	Petersburg Redevelopment and Housing Authority	Theda Peterson	804-733-2200
Prince William	Northern VA PDC	Michelle Simmons	703-642-0700
Pulaski	FAHE	Melissa Coffey	859-986-2321
Rappahannock	Fauquier Housing Corporation	Michelene Hostetter	540-341-2805
Richmond City	Richmond LISC	Regina Fields	804-644-0548
Roanoke City	Blue Ridge Housing Dev. Corp.	Andrea Hager	540-777-2777
Rockingham	Central VA Housing Coalition	Mary Ann Bryant	540-373-5372
Russell	FAHE	Melissa Coffey	859-986-2321
Salem	Blue Ridge Housing Dev. Corp.	Susan Acri	540-635-7339
Scott	FAHE	Melissa Coffey	859-986-2321
Shenandoah	Blue Ridge Housing Network	Susan Acri	540-635-7339
Smythe	FAHE	Melissa Coffey	859-986-2321
Southampton	Hampton Roads PDC	Dave Gist	757-420-8300
Spotsylvania	Central VA Housing Coalition	Mary Ann Bryant	540-373-5372
Stafford	Central VA Housing Coalition	Mary Ann Bryant	540-373-5372
Staunton	Central Shenandoah PDC	Bonnie Riedesel	540-885-5174
Suffolk	Hampton Roads PDC	Dave Gist	757-420-8300
Surry	Petersburg Redevelopment and Housing Authority	Theda Peterson	804-733-2200
Sussex	Petersburg Redevelopment and Housing Authority	Theda Peterson	804-733-2200
Tazewell	FAHE	Melissa Coffey	859-986-2321
Virginia Beach	Hampton Roads PDC	Dave Gist	757-420-8300
Warren	Blue Ridge Housing Dev. Corp.	Susan Acri	540-635-7339
Waynesboro	Central Shenandoah PDC	Bonnie Riedesel	540-885-5174
Williamsburg	Hampton Roads PDC	Dave Gist	757-420-8300
Winchester	Blue Ridge Housing Network	Susan Acri	540-635-7339
Wise	FAHE	Melissa Coffey	859-986-2321
Wythe	FAHE	Melissa Coffey	859-986-2321
York Co.	Hampton Roads PDC	Dave Gist	757-420-8300

Single Family Regional Loan Fund



Affirmative Fair Marketing, Fair Housing, Equal Employment Requirements

Each Regional Administrator is required to uphold all affirmative fair marketing, fair housing, and equal employment practices as outlined in the annual contract agreement and program summary as prescribed below. SFRLF Regional Administrators must undertake one of the activities highlighted below on an annual basis in order to meet the affirmative marketing requirement outlined in their contract agreement. The activity may be any from the following list or it may be one that has been specifically approved by a DHCD Program Administrator.

ACTIVITIES TO AFFIRMATIVELY FURTHER FAIR HOUSING

- Adopt a resolution endorsing the concept of fair housing and advertise its wording through the local media.

- Enact a local fair housing ordinance substantially equivalent to the federal or state law.

- Provide all clients of your organization with a copy of the Department of Professional and Occupational Regulation (DPOR) fair housing brochure, (804) 367-8530 or a brochure from DHCD, (804) 371-7000.

- Attend a Fair Housing workshop. Be aware that two persons from your organization must attend; the Executive Director and at least one Board member. The workshop must be approved by DHCD. *NOTE: Attending a Fair Housing workshop or seminar may not be used in successive years.*

- Conduct a public educational program for local housing consumers and providers and/or financial institutions regarding fair housing issues and laws.

- Develop or fund a community based fair housing organization.

- Develop a fair housing assistance program to make housing opportunities known to minorities, to monitor compliance, and to refer discrimination complaints to the proper authorities.

- Assess the special housing problems of minorities and women, through surveys, etc., and determine any effects of discrimination. Develop a plan to assist in overcoming these effects.

- Enlist the participation of local realtors, lenders and homebuilders in an agreement and promote affirmative fair housing and review of underwriting/credit criteria. Publish the agreement in the local newspaper.

- Develop a public information network using local newspapers, radio stations, bulletin boards, churches, utility bill mailings, and the like to ensure that all segments of the community are aware of fair housing requirements, especially realtors, landlords, financial institutions, and minority households.

- Each Regional Administrator receiving HOME funding support for down payment and/or closing cost assistance for five or more families must submit a Fair Housing Plan (HUD 935.2) to DHCD for approval within the first month of the grant award.

Program Income/Excess Proceeds

Regional Administrators are required to keep all HOME funds recaptured during the period of affordability in a non-interest bearing account for immediate use with the next family requiring down payment and/or closing cost assistance. DHCD will monitor the use of the funding from the non-interest bearing accounts on a monthly basis. Program income will be report in IDIS on a monthly basis. HUD-1 settlement statements for all HOME-assisted units will be checked at Project Completion for use of local agency funding from this effort.

Subordination Agreements and HOME Subsidy

Repayment of the HOME subsidy to DHCD will be required if the homeowner does not occupy the property as its primary residency during the period of affordability as demonstrated in the second deed of trust. Second deeds of trust can only be subordinated to third under the following circumstances:

DHCD will agree to subordinate its second lien during the period of affordability when use of the equity from the HOME-assisted unit becomes necessary under the following circumstances:

1. Equity must be used to enhance the structure (i.e. energy efficiency upgrades, roof repairs, or to add necessary ramping for accessibility purposes). Access to the equity will be limited to the number of years the homeowner has completed during the affordability period. For example, if a homeowner, after residing in the property for two years, desired to establish a home equity line of credit to cover roof repairs under a five-year period of affordability, he/she would be entitled to $2/5^{th}$ of the amount of the original subsidy with DHCD approval. Homeowners borrowing money to make improvement/repairs to the property must meet local housing code requirements.

2. Cash out refinancing during the period of affordability will only be considered for hardship cases providing the following:

a. One or more of the mortgagors must have been unemployed through no fault of their own for three months or more
b. Unforeseen medical expenses or medical care for a member of the household threatens the mortgagor's ability to repay the first lien **and** requested equity must be limited to medical expenses only.

This type of refinancing cannot result in any direct cash to the homeowner.

If the homeowner is refinancing original mortgage to improve the primary mortgage rate by one full point, DHCD will subordinate. Participants may only include their closing cost in the refinancing.

In all cases, loan documentation must be provided to DHCD for advance consideration. DHCD must ensure that all requirements have been met before the new loan closes. The value of liens against the property must not exceed 105% of the property's assessed value. If the borrower pays off the first lien, the second lien will be due and payable; the two loans are connected in this regard.

Repayment of the HOME Subsidy

Repayment of the HOME subsidy to DHCD will be required if the homeowner does not remain the principal resident of the home which was subsidized with HOME dollars for the duration of the HUD-imposed period of affordability.

Indoor Plumbing Rehabilitation Program

The key tenets of the Indoor Plumbing Rehabilitation Program are:

1) Only owner occupied houses that lack functional indoor plumbing qualify for assistance;
2) Program beneficiaries repay loans based upon ability to pay; and
3) Self-help and homeownership opportunities create responsibility for ongoing property maintenance and increase wealth for lower-income participants.

The Indoor Plumbing Rehabilitation (IPR) Program provides forgivable loans with 0 percent interest to low- and moderate-income homeowners of substandard housing where indoor plumbing does not exist or where major indoor plumbing components are missing. The program also provides for the general rehabilitation of these units, for accessibility improvements to units occupied by persons with disabilities, or additional space where overcrowded conditions exist. Cities and counties that are not both HOME and CDBG entitlements may participate in the IPR Program.

Distribution Methodology

DHCD contracts with sub-recipients (local governments, non-profit housing providers, planning district commissions and housing authorities) to administer the IPR Program. Each eligible local government has one annual opportunity to designate a sub-recipient to carry out the IPR program within its jurisdiction. The sub-recipient has direct ties to the community through a local housing rehabilitation advisory board. Each beneficiary household receives training in house maintenance, cleaning and budgeting

A formula based on population, per capita income, household lacking indoor plumbing and overcrowding is used to allocate funds to each eligible locality. The balance of the funds is placed in an incentive fund. Once all of a locality's allocation is obligated that locality's sub-recipient may go to the incentive fund for additional funding.

January 1 is the program funding cut-off. If a locality's funding allocation has not been committed or if no sub-recipient has been identified that portion of the funding reverts to the incentive pool and other sub-recipients may be draw from it.

Applicant/Project Eligibility

Locations that are not entitlement-eligible for both CDBG and HOME are eligible for an IPR allocation.

Funding Thresholds

Loan repayments are determined by the homeowner's ability to make payments. Applicants may not pay more than 25 percent of their adjusted gross income for repayment of the loan and other related housing costs. Loans are amortized over a ten-year (120 month) period. They are secured by a lien on the property, which is proportionately forgiven over the ten-year term.

The cost limits for rehab and for substantial reconstruction assume that the unit in question is a 2-bedroom unit. If the unit to be rehabilitated or the unit at the completion of the substantial reconstruction contains more than two bedrooms, the exception rules apply.

Because of the need to maximize production and limit costs, leveraging other funds is strongly encouraged especially through participation of the property owner.

The following table details cost limits by project type, excluding home maintenance costs:

IPR Project Limits

Project Type / Costs	IPR Rehab, Unit Lacking Complete Plumbing	IPR Substantial Reconstruction, Unit Lacking Complete Plumbing	IPR Rehab, Unit Lacking Bathroom	IPR Substantial Reconstruction, Unit Lacking Bathroom
Base cost	$25,000 maximum	$35,000 maximum/including bathroom	$25,000 maximum/lacking bathrooms	$35,000 maximum/including bathroom
Exceptions	$15,000 maximum	$15,000 maximum	$25,000 maximum/including bathrooms	$20,000 maximum
Admin.	$ 2,200	$ 2,200	$ 3,000	$ 3,000
CRSC	$ 2,000	$ 1,500	$ 3,000	$ 1,500
Temporary Relocation	$ 1,000 maximum	$ 1,000 maximum	$ 1,000	$ 1,000
Total	$45,200	$54,700	$57,000	$60,500

Exceptions allow the sub-recipient to commit additional funding, beyond the base contract cost, to the completion of the project. Failure to contract these items separately may result in the ineligibility of the entire project.

Subrecipients may obligate up to 1% of base construction costs per unit, based on actual documented costs, to carry out home maintenance education. The maximum allowable cost will be $250 per unit for rehab projects and $350 per unit for substantial reconstruction. These per unit costs do not and are not intended to cover staff or rehab specialist time for training delivery. They are intended to cover items such as cleaning kits, tool kits, and handouts.

Demolition costs are “stand-alone” – neither base construction nor exception. Rather, demolition costs are a separate line item, and are to be contracted separately. DHCD has not TO DATE set a cap on per unit demolition costs, although we reserve the right to cap or cut costs if necessary.

Each sub-recipient who purchases a HEPA vacuum will be reimbursed at an allowance of $200 per house completed until the total cost of the vacuum (up to $1,000) has been received. A copy of the invoice must be submitted to DHCD with first request for payment.

Geographical considerations

The IPR Program is limited to 115 eligible cities and counties. The program now has 53 sub-recipients serving eligible localities. Subrecipients include local governments, housing authorities, planning district commissions and a wide-range of non-profit organizations covering multiple jurisdictions to very small organizations with limited capacity. This network allows programs to reach into most parts of the state. In order to help serve areas of the state that are not served or are under-served by IPR sub-recipients, DHCD now allows

subrecipients to "roam to serve units that are completely lacking indoor bathroom outside of the jurisdictions they are contracted to serve."

Home Match For the Supportive Housing Program

HUD's Supportive Housing Program (SHP), as authorized by Title IV, Subtitle C, of the McKinney-Vento Homeless Assistance Act of 1987, as amended, is designed to promote, as part of a local Continuum of Care strategy, the development of supportive housing and supportive services. These units are to assist homeless persons in the transition from homelessness and to enable them to live as independently as possible.

Recipients of HUD SHP funds for acquisition, rehabilitation, and new construction must provide an equal amount of matching funds from other sources. The cash source may be the recipient, the Federal Government, State and local governments, or private resources. The Virginia HOME Investment Partnership – Match Program (HOME Match Program) provides funds for the required match for projects involving acquisition, rehabilitation, or new construction. These matching funds are to be used for bricks and mortar and not for supportive services.

Home Match funding totaling $600,000 is available on a non-competitive basis. All applicants who applied received funding.

The HOME Match for the Supportive Housing Program offers all or a portion of the required 50% match for the costs of acquisition, new construction or rehabilitation for supportive housing projects in Virginia that are funded through the Continuum of Care Homeless Assistance/Supportive Housing Program.

Distribution Methodology

Funding priority is given to Supportive Housing Program grantees located outside of the following HOME entitlement jurisdictions and consortiums: Cities of Virginia Beach, Richmond, Arlington, Alexandria, Charlottesville, Chesapeake, Danville, Hampton, Lynchburg, Newport News, Norfolk, Portsmouth, Roanoke, Suffolk, Chesterfield, Fairfax, Henrico and Prince William County. If requests are significantly exceed available funds, projects are evaluated through a competitive process. The priority ranking of the project in the local or regional Continuum of Care is considered.

Targeted Population

The Supportive Housing Program (SHP) is designed to move homeless persons from streets and shelters to permanent housing and maximum self-sufficiency. A person must be homeless in order to receive assistance under SHP. Applicants identify their target population in the initial application. This application is

incorporated into the grant agreement and, therefore, guides implementation of the grant. Significant changes to the project must receive prior HUD approval. The category of persons to be served, or target population of the project, is specifically identified in the SHP regulations at 24 CFR 583.405.

Applicant/Project Eligibility

Eligible applicants are those who received awards through the Continuum of Care Homeless Assistance/Supportive Housing Program for acquisition, new construction or rehabilitation for supportive housing projects in Virginia. All projects must be related to the structures, transitional housing or permanent housing, where program beneficiaries will reside. The program does not provide funding to projects utilizing HOME funds through another source.

Funding thresholds

Awards are limited to the lesser of the amount of Supportive Housing Program funds for acquisition, rehabilitation or new construction, or the HOME Program per unit subsidy limits, not to exceed $200,000. Funds for new construction are limited to those projects with less than twelve units.

Eligible Activities

HOME match funds may be used for acquisition, rehabilitation, and/or new construction costs of structures to be used for supportive housing. Costs must be related to the structures, transitional housing or permanent housing, where program beneficiaries will reside. Funds for new construction are limited to those projects with less than twelve units.

To receive assistance from projects funded under the Supportive Housing Program, the people served must be homeless. Projects that propose serving other populations will not be considered for funding.

Applicants who propose to serve these populations must make clear in their applications that they (a) understand that persons are eligible only if they have no subsequent residence identified and lack the resources and support networks needed to access housing and (b) propose to serve only eligible persons. Applicants that are selected for funding will be required to have documentation of how it was determined that such persons did not have the resources or support network needed to obtain housing.

Ineligible Activities

Funds are not available to projects utilizing Home Investment Partnerships (HOME) Program funds through another source (i.e. your local government). Funds are not available for office space, operating costs of supportive housing,

including personnel; acquisition, rehabilitation or new construction of facilities where supportive services only are to be provided; or the direct provision of supportive services.

Geographical Considerations

As noted above, funding priority is given to Supportive Housing Program grantees located outside HOME entitlement jurisdictions and consortiums. To achieve geographic diversity and/or increase the number of projects funded, DHCD reserves the right to award less than the match amount required.

Applications for federal fiscal year 2002 funds were received from three projects listed below. NOTE: Due to the timing of awards for the Supportive Housing Program, federal fiscal year 2003 HOME funds are anticipated to be awarded in April 2004.

- Lynchburg Neighborhood Development Foundation--$175,000 for acquisition and rehabilitation of two properties in Lynchburg to provide twelve beds of permanent housing for persons with disabilities, serving eight single adults and two families with children.
- The Salvation Army of Petersburg--$200,000 for new construction to expand an existing emergency shelter facility in Petersburg for fourteen beds of transitional housing for single adult males.
- Waynesboro Housing Corporation--$200,000 for new construction of six one-bedroom apartments in Staunton to provide permanent supportive housing for single adults.

SHARE Expansion Program Transitional Housing Component

The existing state-funded SHARE Expansion Program will provide a transitional housing component with HOME funds.

The SHARE Expansion Program can fund the to purchase and/or rehabilitation of residential and non-residential properties into emergency shelter or transitional housing facilities.

The SHARE Expansion Program (Expansion) is funded through an appropriation from the Virginia General Assembly and administered by the Virginia Department of Housing and Community Development (DHCD). Additional funds are provided through the HOME Program through appropriations by the U.S. Department of Housing and Urban Development and administered by DHCD.

Although HOME funds may not be used for Emergency Shelter projects, they may be used for Transitional housing projects. Funds appropriated by the

state may be used for Emergency Shelter projects or Transitional housing projects.

Program Goals and Objectives

The goal of the SHARE Expansion Program is to increase the capacity of the Commonwealth's shelter stock to accommodate the need for shelter among homeless individuals and families and to encourage the development or continuance of comprehensive self-sufficiency programs. The primary objective of the program is to increase the number of emergency shelter and transitional housing beds to homeless individuals and families in Virginia, emphasizing facilities that offer a comprehensive self-sufficiency program for their residents.

Maximum Assistance

The maximum funding assistance per project is $200,000. Under no circumstances will the Expansion award exceed the actual eligible cost of the project.

Specific Activities

Expansion funds may be used to rehabilitate existing properties provided that the number of existing emergency or transitional housing beds is increased by a number agreed upon by the applicant and DHCD and in accordance with the identified need and scope of the planned project.

Funding Priorities

Priority One:

Acquisition and Rehabilitation

Expansion funds may be used to purchase and/or rehabilitate residential and non-residential properties into emergency shelter or transitional housing facilities.

Rehabilitation

Expansion funds may be used to rehabilitate existing properties provided that the number of existing emergency shelter or transitional housing beds is increased by a number agreed upon by the applicant and DHCD and in accordance with the identified need and the scope of the planned project.

New Construction

Expansion funds may be used for the construction of new emergency shelter or transitional housing facilities, including the acquisition of land, the cost of construction, and the addition of new units added outside the original wall of an existing emergency shelter or transitional housing facility, provided that the number of existing beds are increased a number agreed upon by the applicant and DHCD and in accordance with the identified need and the scope of the planned project.

Priority Two:

Refinancing or Acquisition of Presently Operating Facilities

Projects seeking Expansion funds to refinance an existing mortgage or to acquire a facility that is presently being operated as an emergency shelter or transitional housing facility will be considered only on the strength of the documentation that without Expansion funds the existing beds will be lost. DHCD will have discretion regarding the eligibility of any application requesting grant funds for these purposes.

Applicant/Project Eligibility

Eligible applicants for the Expansion program are nonprofit organizations, units of local government and public housing authorities who currently provide, or plan to provide, shelter and services to homeless individuals or families in Virginia.

Application Process

DHCD staff conducts site visits to all proposed Expansion projects to provide technical assistance to organizations interested in applying for the SHARE Expansion Program. Ongoing technical assistance through DHCD staff is provided as needed.

A DHCD review team conducts evaluations of applications. The Shelter and Support Services Unit staff provides team members. Evaluations may take up to 90 days. Notification of awards, contract and grant documents are sent to grantees 30-45 days after all necessary documentation is received by DHCD.

Applications meeting threshold requirements will be accepted on an open basis at any time during the fiscal year except when the program is closed due to a lack of funds or other unavoidable reasons. Applicants are strongly encouraged to discuss the planned project with DHCD staff prior to submitting an application. All applications must be presented in a standard three ring binder with clearly labeled tabs for each major section and all attachments. Submit one original and two copies of the application. Only one copy of plans and architectural drawings should be submitted.

Description of Threshold Requirements

Applicants must meet or exceed all of the following threshold requirements before a project can be considered for an Expansion award:

Public Purpose

The applicant must provide a narrative documenting the project need. The narrative must describe the specific homeless population to be served and explain why this was selected. The narrative should include the number of homeless persons, from the targeted population(s) if available, in the applicant's service area, the number of turnaways from existing emergency shelter or transitional housing facilities in the service area, and other information demonstrating the need for the proposed project. If a local or regional Continuum of Care Plan has been prepared, the need for the proposed project must be related to the needs and priorities identified in the Continuum of Care. The narrative should be placed in the section labeled "Public Purpose" in your application. Letters from local and/or regional officials and service providers, or copies of the relevant section(s) of documents verifying the need for your proposed project should be included.

Program Design Submission Requirements

The applicant must provide a narrative describing in detail the supportive services that are or will be part of the in-house program or provided through linkages in the service area. Letters from other agencies or services providers documenting the provision of services through linkages should be included in the application. The narrative should describe the screening, intake, and orientation procedures for new residents.

Finally, the narrative must include a description of the proposed facility's life/safety policies and procedures. The policies and practices which protect the health and safety or residents, staff, and visitors, include, but are not limited to, drug-free shelter and workplace policies, frequency of fire drills, methods of notification of fire escape routes, methods of eliminating or minimizing exposure to blood borne pathogens, and plans for cleaning the shelter, especially food preparation and food service areas. If the Expansion application is for expansion

of a currently operating facility, a copy of a fire inspection report dated a maximum on one year prior to submission of the application, as well as documentation of any corrective measures taken, must be included.

Project Readiness

The applicant must provide documented evidence of site control in the form of an Option to Purchase, a Purchase Contract, a Deed, or a Lease Agreement with a minimum term of five years, renewable for an additional five years.

The applicant must provide evidence that the property is zoned appropriately for the proposed use. Such documentation should be in the form of a letter from the local authorized zoning official or a copy of the portion of the local zoning map which clearly indicated the zoning designation of the proposed site and a copy of the corresponding zoning ordinance which defines the allowable uses for that designation.

The applicant must provide preliminary plans, with dimensions, elevations, and a typical room layout; specifications or a work write up and a site plan, if appropriate; and evidence of a working relationship with an architect or engineer who will be preparing plans and specifications for the project.

Project Feasibility

A complete development budget, with adequate documentation of both the sources and uses of funds, development financing, and project time line must be included as a part of the Expansion application.

An operation budget for each of the five years following the completion of the Expansion project must be included. The projections of operating expenses must include documentation of the sources and uses of funds, as available.

Administrative Capacity

The applicant must include documentation of the project owner/sponsor's experience in the provision of shelter and services to homeless persons or other low-income persons, the experience of the development team for the Expansion project, and the experience of the property management team.

In addition, the project sponsor's organizational structure, current and proposed staffing pattern, and minimum qualification for each staff position, including position descriptions, must be submitted in the application.

Funding Terms and Conditions

All Expansion funds are offered as grants in the form of a forgivable loan. Recipients of Expansion program funds are required to utilize the facilities assisted with Expansion funds as a residential facility for homeless persons for a minimum of ten (10) years from the closing date on the loan. The grant is subject to repayment if the recipient violates any program requirements, including the term for which the facility will be used to shelter homeless persons.

Occupancy Requirements

Expansion funds may be used only to provide residential facilities for low-and-moderate income families. All project sponsors will be required to reserve one hundred percent (100%) of the beds assisted with Expansion funds for homeless persons with incomes below eighty percent (80%) of the area median income, as published by the U.S. Department of Housing and Urban Development.

Ineligible Activities

Expansion funds may not be for luxury improvements, construction or rehabilitation prior to the approved project period, construction or rehabilitation that is unrelated to the emergency shelter or transitional housing facility, construction or rehabilitation for facilities that do not provide residential accommodations, or operational and administrative expenses.

Construction Financing

The Expansion program is designed as a permanent financing program and is generally not to be used for construction financing. Construction financing may be provided to projects documenting at least two efforts to obtain construction financing from conventional sources. Applicants should clearly request and explain the need for construction financing in the application. If construction financing is provided, the following procedures will apply:

- Construction draws will not exceed three;
- Funds will be disbursed in order of lien position;
- Inspection by DHCD staff or other persons approved by DHCD will be conducted before each draw and no funds will be disbursed until the work meets DHCD's satisfaction;
- The total amount disbursed cannot exceed the assessed value of the existing facility and /or land;
- Receipts and/or invoices must be presented with each request for disbursement;
- The final draw amount cannot be less than ten percent (10%) of the total Expansion award; and
- The final disbursement will not occur until occur until all work has been completed to DHCD's satisfaction and a certificate of occupancy submitted.

SUPPORTIVE HOUSING REHABILITATION PROJECT (Pilot)

GOAL

The goal is to develop a permanent program that provides general property rehabilitation, accessibility improvements, upgrades the general energy efficiency, and mitigates lead-based paint hazards in housing designated for low and very low-income people who are living in permanent supportive housing for disabled homeless persons (persons with disabilities), transitional housing, and single room occupancy housing that are located in non-entitlement areas only. The categories of housing described here will form the definition of eligible housing and the term "eligible housing" will be used throughout this program design.

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Objective

The permanent program will provide HOME funds in the amount of $15,000 per unit for a maximum of 10 units for the rehabilitation of eligible housing. Rehabilitation will consist of structural repairs, energy efficiency up-grades, accessibility improvements, and the mitigation of lead based paint hazards. All units must meet or exceed Section 8 Housing Quality Standards, must pass the state and local building codes inspection, must pass the Model Energy Code, and must meet the Handicapped Accessibility requirements where applicable (see 24CFR 92.251(a)(3), upon completion of all project rehabilitation.

Strategies And Expected Results

To reserve funds to assist one pilot project to serve as a model for the development of a permanent Supportive Housing Rehabilitation Program.

Develop a pilot program to fund general rehabilitation that addresses deferred maintenance or emergency repairs, completes system upgrades, improves accessibility, and makes the property lead safe to result in a permanent program design and operating guidelines for a housing rehabilitation program for eligible housing, and to gauge the effectiveness of the program measures.

Develop a program design and operating guidelines for the pilot program that completes general rehabilitation, upgrades mechanical systems, improves the property accessibility, and removes health hazards related to the lead-based paint hazards to result in improved accessibility for disabled persons, safer living environments for properties occupied by families with children under the age of 6, and reduce repair and replacement costs for properties who experience a high occupancy turnover rate.

Distribute a NOFA through e-VA, the DHCD website, mailings to non-profit, affordable housing providers who develop and operate eligible housing, and advertisements newspapers in within the non-entitlement areas in order to provide adequate notice about how-to-apply and receive the an application manual and support materials to result in the identification of a successful candidate for the pilot project, and the identification of other candidates who may be future eligible applicants for the permanent program once established.

Funding Strategy

Up to $200,000 in HOME funds are available as a grant to fund one project during the pilot phase. The available funding pending completion of a successful pilot phase will remain the same, $200,000. The Grant funds must be secured through a grant agreement between DHCD and the property owner or designated property manager.

Eligible projects must adhere to funding limits of $15,000 per unit for properties with a maximum of 10 units for a total of $150,000 for project hard costs, $15,000 (or 10% of the available funding) may be used for project soft costs, and $15,000 (10% of project hard costs) will be available for administrative costs.

For the pilot project, DHCD will fund one project that must be an existing structure that meets the definition of “eligible housing”, as previously described. Upon completion of all rehabilitation the unit must also meet the definition of eligible housing.

An eligible unit may contain food preparation or sanitary facilities, or both.

HOME funds may be used to assist one or more housing units in a multi-unit project. Only the actual HOME eligible development costs of the assisted units may be charged to the HOME program

Matching Funds

Matching funds in the amount of 25% will not be a requirement of the Pilot Project, however, matching funds will be required

How-to-Apply

DHCD will post the Notice of Funding Availability, NOFA, and application materials on e-VA, the DHCD website, and will distribute these materials to non-profit organizations who currently operate supportive housing facilities on October 30, 2003.

Application Due Date

Responses to the NOFA must be received by DHCD on or before December 1, 2003.

Eligible Applicants

Applications may be received from the operators of eligible housing. Single-family residential housing and multi-family housing which do not provide these categories of housing are not eligible to apply.

Announcement of Awards

Announcement of the grant award to the will be made 45 days after the application deadline by letter to the successful applicant. All applicants will receive a letter notifying them of the status of their application.. The Evaluation period of all applications will be conducted over a period of 45 day or less. The awards will be announced on or before January 15, 2004.

Evaluation of Applications/Criteria for Award

The DHCD review team will consist of the manager and one staff member from each of DHCD's housing units; Shelter and Supportive Services and the Housing Preservation Unit (4 People) with final review and approval by the Associate and Deputy Director of the Housing Division. The Evaluation period of all applications will 45 day or less. The projected award date will be January 15, 2004

All applications received by the due date will be evaluated and scored for completeness, responsiveness, and readiness. The successful applicant will receive a composite score based upon the following scoring categories:

25% Occupancy Rates over the 12 months prior to application

25% Administrative Management Capacity

25% Proposed Rehabilitation

25% Urgency of Need

Anticipated Number of Projects

DHCD will select one property for participation in the pilot project. The number of projects completed in the future will be subject to funding availability.

Currently, 22 housing facilities exist across the state that meet the description of eligible housing as described in the program goals. Unless new facilities are developed or come on line, the number of properties that may be eligible to participate in this program is expected to either shrink or decrease incrementally from year-to-year. This program could conceivably assist all existing properties within 10 to 15 years.

Unexpended or Uncommitted Funds

Once program implementation has begun and the funding awards have been issued, any funds that remain uncommitted at the end of FY04 (June 30, 2004) may be carried over to fund a second year of the pilot program, to fund the permanent program if established, or to be used in any other existing and approved DHCD funded HOME programs.

Eligible Activities

HOME funds may be used to provide for development hard costs that include:

- Cost to meet the property standards in 92.251;
- Essential improvements, including energy-related repairs or improvements, improvements necessary to permit use by persons with disabilities, and the abatement of lead-based paint hazards
- costs to construct or rehabilitate laundry and community facilities which are located within the same building, and other common areas; and related soft costs which include:
- architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups;
- building permits, attorneys fees, private appraisal fees and fees for an independent cost estimate, builders or developers fees;
- staff and overhead costs directly related to carrying out the project, such as work specifications preparation, general property inspections, and other services related to assisting potential owners, tenants, and lead Inspection/Risk Assessments; and relocation costs which include:

- payments for moving expenses, and payments for reasonable out-of-pocket costs incurred in the temporary relocation of persons; and
- other relocation assistance means staff and overhead costs directly related to providing advisory and other relocation services to persons displaced by the project.

Ineligible Activities

The HOME Transitional Housing Rehabilitation Pilot project funds may not be used for:

- Payment for any cost that is not eligible under Part 92-home Investment Partnerships Program, Subchapter II - Investment in Affordable Housing

Sections. HYPERLINK "http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/regs/home/sube/92206.cfm" 92.206 through HYPERLINK "http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/regs/home/sube/92209.cfm" 92.209 ;

- Provide non-federal matching contributions required under any other Federal program; and
- Eligible Housing does not include emergency shelters (including shelters for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities and student dormitories;
- Property acquisition or demolition.

Emergency Shelter Grants (ESG)

Anticipated Use of Federal FY 2003 Funds

In federal fiscal year 2003, Virginia's ESG funding will be allocated to four principle categories of usage: Administration, Operations, Prevention and Essential Services.

Administration
Up to 5% of the Virginia ESG allocation will be used for program administration purposes. Program administration will be shared with local government recipients based on 5% of their total award for operations. The remaining amount will be used for state program administration purposes.

Operations
Up to 85% of the Virginia ESG allocation will be used for operations of emergency shelter, day shelter, and transitional housing facilities.

Prevention
Up to 10% of the Virginia ESG allocation will be used for prevention activities.

Essential Services
Up to 10% of the Virginia ESG allocation will be used for essential services.

The total amount for Prevention and Essential Services will be up to 10 % of the total ESG allocation. Neither activity will exceed 10% of the ESG allocation.

Distribution Methodology

Funding for operations is restricted to incorporated nonprofit organizations and local governments that provide shelter for the homeless in non-ESG entitlement communities. The FY 2003 CPD Formula Program Allocation designates seven (7) localities as ESG entitlements: Arlington County, Fairfax County, and the Cities of Norfolk, Portsmouth, Richmond, Roanoke, and Virginia Beach.

Method of Distribution and Criteria for Awarding Grants

Pilot Program

The Virginia Housing Study Commission, with assistance from the Virginia Interagency Action Council for the Homeless, conducted a study, initiated under House Joint Resolution 257 (2000) and continued under Senate Joint Resolution 446 (2001), on the number and needs of homeless persons in rural areas of the State. The results of the Virginia Center for Housing Research's 2001 Virginia Rural Homelessness, undertaken in conjunction with the study, demonstrated the inadequacy of exiting homelessness prevention efforts in rural Virginia. Based on the findings and recommendations of the study, DHCD will set aside a maximum of $150,000 from the essential services and prevention categories to fund a regional pilot project. The project will consist of a comprehensive system of outreach, intake and assessment, service referral, and case management for families and individuals who are homeless or at risk of homelessness. Thus, DHCD designed the pilot project to reduce and ultimately prevent homelessness in rural (nonmetropolitan) areas of the Commonwealth.

DHCD engaged focus groups including providers of services to the homeless and other low-income populations to review preliminary survey findings, evaluate factors contributing to homelessness, and offer recommendations based on experience with clients and service areas. Recurrent themes and areas of concern related to the pilot project as identified in the Virginia Housing Study Commission 2001 Annual Report included:

- Case Management Needs
  - Life skills training for recipients of public assistance such as Section 8 and Temporary Assistance to Needy Families (TANF) to prevent eviction
  - Home maintenance, including cleaning skills and property preservation information
  - Budgeting
- Transportation Needs
  - Free or income-based
  - Flexible schedule

- Coordination/Collaboration Needs
  (Among and between nonprofits, private sector, faith community, local housing authorities, and local, state, and federal agencies)
- Child Care Needs
  (Especially for parents working non-traditional hours)
- Housing Needs
  - Emergency shelter (including facilities to preserve intact families)
  - Transitional housing
  - Transitional housing-type services for residents of permanent housing
  - Affordable permanent housing
- Substance Abuse Prevention and Counseling Needs
  (Particularly in areas experiencing a dramatic increase in substance abuse)
- Prevention Opportunities
  - Case management for residents of permanent housing
  - Intervention/service referrals in the evictions process

The Virginia Housing Study Commission 2001 Annual Report also identified several anecdotal and statistical findings about homelessness in the non-metropolitan areas of Virginia:

- Individuals are homeless or at-risk of homelessness for a number of primary reasons, including but not limited to, mental illness, mental retardation or borderline retardation, loss of employment, and lack of basic life skills.
- No one response of referral is effective for all homeless or at-risk people.
- Homeless or at-risk individuals and families are caught in a maze of referrals to services that may be located far from their current place of residence, if such services are available at all.
- Long-term, intensive case management is critical in many cases to break the cycle of homelessness.

In response to the recommendations of HJR 257, the Virginia Department of Housing and Community Development reserved $150,000 from the Virginia SHARE Federal Shelter Grant (FSG) program for a comprehensive, regional system of outreach, intake and assessment, service referral and case management for families and individuals who are homeless.

Virginia's ESG program, the SHARE Federal Shelter Grant (FSG): Housing and Prevention, is designed to intervene in cases where eviction or foreclosure is imminent to prevent homelessness, and to assist homeless persons in obtaining and maintaining permanent housing. Housing is the emphasis of the pilot project.

FSG funding for essential services and prevention benefits local government and nonprofit providers of services for low-income and/or homeless families and individuals in non-metropolitan jurisdictions in Virginia. However, the primary beneficiaries are at-risk and homeless families and individuals.

Funding for essential services and prevention activities from the federal fiscal year 2003 ESG allocation totals $150,000, available through a competitive application process. DHCD anticipates funding for one recipient, providing financial assistance with housing and supportive services to at least 50 households. It is estimated that 70% of the funds will be used for prevention activities and 30% for essential services. If available, carry-over funds from previous grant years will be used to fund additional projects.

By April 30, 2004, DHCD will review all requests for FSG funding for prevention and essential services to determine usage for the grant year. Funds not used during the grant year will be carried over into the next year's funding or reallocated to current recipients for operations or special projects.

Application Process

DHCD will mail a notice of the availability of the application to shelter providers and other eligible applicants in non-metropolitan areas of the Commonwealth. The application will be posted on the agency's web site.

Application Due Date
The application will be due no later than 5:00 PM, June 5, 2003.

Eligible Applicants
Eligible applicants are nonprofit and local government providers of emergency shelter and/or transitional housing, community action agencies, public housing authorities, planning district commissions, local departments of social services, local departments of health, area agencies on aging, faith based organizations, community action agencies, and nonprofit housing organizations in non-metropolitan areas of Virginia.

Evaluation of Applications/Criteria for award
Applications will be evaluated within 30 days of receipt.

Funding will be awarded on a competitive basis, using standardized ranking criteria. (A copy of the ranking criteria is included in the Appendices.)

An award letter will be provided by July 14, 2003. Grant agreements will be provided by August 15, 2003. Additional projects may receive notification of an award and a grant agreement at a later date, within ESG guidelines.

Applications will be reviewed by a team composed of the Division of Housing's Shelter and Supportive Services unit staff and a representative of the Division of Community Development's Office of Community Capacity Building.

Anticipated Number of Projects

DHCD expects to fund one regional project with federal fiscal year 2003 ESG funds. Additional regional projects may be funded with carry-over funds from previous years.

Remaining Funds

Funds not requested before the end of the grant year (June 30, 2004) will be used to extend the project into the next grant year if appropriate, or to provide per bed funding in the next grant year.

Program Requirements

Match

Recipients of FSG funds are required to provide a dollar-for-dollar match. The match must be for the specific project for which FSG funding is requested and must be received and expended within the grant year.

Eligible sources of match are: recipient cash, nonfederal grant funds, in-kind donations and volunteer hours valued at $5.00 per hour.

Local Approval

Nonprofit applicants must submit a Certification of Local Approval for the project, signed by an authorized local government official.

Additional Documents

Additional documents required with the application are:

- Certifications and Assurances form, signed by an authorized representative of the applicant
- Board Resolution form for nonprofit applicants or Governing Body Resolution for local government applicants
- Current Financial Management System Information form
- Applicant's most recent audit report or most recent financial statement

Eligible Activities

Eligible activities include:

- Short-term subsidies to defray rent and utility arrearages for families that have received eviction or utility termination notices and are ineligible for assistance through the SHARE Homeless Intervention Program (short-term rental and utility assistance is limited to six months of arrearages);
- Security deposits or first month's rent to permit a homeless family to move into its own apartment if the family is ineligible for assistance through the SHARE Homeless Intervention Program;

- Mediation programs for landlord-tenant disputes;
- Legal services programs for the representation of indigent tenants in eviction proceedings;
- Other innovation programs and activities designed to prevent the incidence of homelessness;
- Assistance in obtaining permanent housing;
- Assistance in obtaining Federal, State and local assistance, including mental health benefits, employment counseling, medical assistance, Veteran's benefits, and income support assistance such Supplemental Security Income benefits, Temporary Assistance to Needy Families, General Assistance, and Food Stamps;
- Supportive Services such as child care, transportation, job placement and job training; and
- Staff salaries necessary to provide the above services.

All activities must comply with the Federal Register part II 24 CFR Part 576.

Ineligible Activities

FSG funds for prevention and essential services may not be used for the following activities or for any activity that is in violation of federal law or the laws of the Commonwealth of Virginia:

- For renovation, rehabilitation, or conversion of buildings or facilities, or the fees associated with these activities
- operations of emergency shelter and/or transitional housing facilities
- staff costs for shelter-based programs for the homeless

Technical Assistance

DHCD will provide technical assistance upon request.

Operations of Shelter Facilities

Background

Virginia's ESG program, the SHARE Federal Shelter Grant (FSG): Operations of Shelter Facilities supports the operations of emergency shelter, day shelter, winter shelter, and transitional housing facilities in nonentitlement areas of the Commonwealth. FSG offers grants for the costs of operations of programs for the homeless, and staff costs for operations of facilities that do not exceed ten percent (10%) of the FSG award.

FSG funding for operations benefits local government and nonprofit providers of emergency shelter and transitional housing for homeless families and individuals in nonentitlement jurisdictions in Virginia. However, the primary beneficiaries are homeless families and individuals residing in facilities that receive FSG support.

Operations' funding totaling $1,199,950 is available on a non-competitive, per bed basis.

Per bed awards are determined based on the number of eligible beds the applicant provides for homeless persons, pro-rated for the number of months the facility will be used to house homeless persons, or a percentage (50%) of the average daily attendance at day shelter programs.

DCHD will provide operations funding to all eligible applicants. DHCD anticipates funding for at least 70 recipients, providing a minimum of 2,300 beds for the homeless.

By April 30, 2004, DHCD will review all requests for FSG funding for operations. DHCD will contact all recipients who have not requested all funds awarded. Funds unused during the grant year will be carried over into the next year's funding or reallocated to current recipients for operations or special projects.

Application Process

Applications for FSG funding for operations will be combined with an application for three additional shelter-based programs administered by DHCD. A notice stating that the application is available will be mailed to the previous year's recipients and other shelter providers who expressed interest in funding. The application will be posted on the agency's web site.

Application Due Date

The application will be due no later than 5:00 PM, April 30, 2003.

Eligible Applicants

Eligible applicants are incorporated nonprofit organizations and local governments in non-entitlement jurisdictions in Virginia who provide emergency shelter, transitional housing and/or day shelter programs for homeless persons within the Commonwealth of Virginia.

No applicants in the U. S. Department of Housing and Urban Development (HUD) designated entitlement cities of Norfolk, Portsmouth, Richmond, Roanoke and Virginia Beach and entitlement counties of Arlington and Fairfax will be considered for FSG funding.

Providers of transitional housing who receive a Supportive Housing Program grant for operation of the facility are not eligible for FSG funding for operations.

Evaluation of Applications/Criteria for award

Applications will be evaluated within 45 days of receipt for requested documentation and verification of number of beds, using the Certificate of Occupancy. If questionable, staff will use the previous grant year's statistical reports to determine average daily occupancy.

DHCD will award funds on a formula basis for applications received by the April 30, 2003 deadline. The amount for operations will be divided by the number of eligible beds, resulting in a per bed award for the year. Each recipient or project sponsor will receive an award determined by the number of eligible beds the applicant provides for homeless persons, pro-rated for the number of months the facility will be used to house homeless persons, or a percentage (50%) of the average daily attendance at day shelter programs.

DHCD will provide award letters to recipients by June 15, 2003. Grant agreements will be provided by June 30, 2003.

Staff in the Division of Housing's Shelter and Supportive Services unit will review all applications.

Anticipated Number of Projects

DHCD expects to fund at least 70 projects, providing a minimum of 2,300 beds in emergency shelter and transitional housing facilities, and providing drop-in services to approximately 130-150 clients per day.

Remaining Funds

Funds not requested before the end of the grant year (June 30, 2004) will be used for per bed funding in the next grant year or for special projects.

Program Requirements

Facility Standards

At a minimum, all facilities assisted with FSG must meet HUD Section 8 Housing Quality Standards and habitability standards. Staff may contact applicants who have not previously received FSG funds to schedule a facility tour before a funding decision. Staff may contact all applicants for verification or clarification of information or for additional information before a funding decision.

Match

Recipients of FSG funds are required to provide a dollar-for-dollar match. The match must be for the specific project for which FSG funding is requested and must be received and expended within the grant year. Eligible sources of match are: recipient cash, nonfederal grant funds, in-kind donations and volunteer hours valued at $5.00 per hour.

Additional Requirements

All applicants must be in good standing with the Department for homeless assistance grants previously received. Primarily religious organizations must agree to provide all activities under this program in a manner that is free from religious influences. Recipients must abide by the requirements detailed in the Federal Register Part II CFR Part 576, the Housing and Community Development Act of 1992, regulations related to Lead-Based Paint Hazards, and other applicable federal and state regulations. Additional requirements, including reporting requirements, will be communicated before executing a Grant Agreement.

Applicants, excluding winter shelters only, are required to offer intake, case management and information and referral services at a minimum. In addition, providers of emergency shelter, excluding winter shelters and day shelters, must be able to document placement of a minimum of ten percent (10%) of the homeless households (a household may be a family or a single individual) served in fiscal year 2003 into transitional or permanent housing. Providers of transitional housing must be able to document placement of a minimum of fifty percent (50%) of households who completed the transitional housing program in fiscal year 2003 into permanent housing.

Local Approval

Nonprofit applicants must submit a Certification of Local Approval for the project, signed by an authorized local government official.

Additional Documents

Additional documents required with the application are:

- Organizational Chart with all vacancies indicated
- Position Descriptions for all staff positions
- Current Fire Inspection for each facility to be assisted with funding
- Certificate of Occupancy for each facility to be assisted with funding
- Certifications and Assurances form, signed by an authorized representative of the applicant
- Board Resolution form for nonprofit applicants or Governing Body Resolution for local government applicants
- Current Financial Management System Information form
- Applicant's most recent audit report or most recent financial statement
- Applicant's operating budget for the current year
- Admissions policy and intake forms/documents

Eligible Activities

Eligible activities are the costs of operations of programs for the homeless, and staff costs for operations of facilities that do not exceed ten percent (10%) of the FSG award.

Ineligible Activities

FSG funds for operations may not be used for the following activities or for any activity that is in violation of federal law or the laws of the Commonwealth of Virginia:

- provision of shelter or services to persons other than those who are homeless;
- provision of emergency shelter for the homeless where clients are charged a fee or rent, required to make a donation or other compensation to receive shelter or services;
- provision of transitional housing program receiving a HUD Supportive Housing Program grant for operations, Section 8 Program subsidy or any other governmental rental subsidy;
- provision of transitional housing where rents exceed 30% of the resident's income;
- provision of transitional housing where annual income from rents exceeds 50% of the organization's total budget for the transitional housing program;
- to acquire real property (buildings, land and structures), including mortgage payments;
- for building conversion or shelter renovation, rehabilitation or repair, or the fees associated with these activities;
- for homeless prevention activities such as, but not limited to, mortgage or rental assistance and rental or utility deposits; and
- *provision of shelter beds for which third-party payments are received, including per diem payments from other State agencies and beds set-aside under a purchase of service contract.*

DHCD Technical Assistance

DHCD will provide technical assistance on request.

As noted previously, funds for operations are restricted to facilities outside ESG entitlements. The table below lists the expected applicants and the location of their facilities. NOTE: There may be additional applicants who have not previously received ESG funds.

Project Sponsor	Location of Project(s)	Project Sponsor	Location of Project(s)
Action in Community Through Service of Prince William, Inc.	Dumfries	Lynchburg Community Action Group, Inc.	Lynchburg
Alexandria Office on Women	Alexandria	Mercy House	Harrisonburg
Alive, Inc.	Alexandria	Monticello Area Community Action Agency	Charlottesville
Arlington-Alexandria Coalition for the Homeless	Alexandria	New Directions Center, Inc.	Staunton
Avalon: A Center for Women and Children	Williamsburg	New River Family Shelter	Blacksburg and Christiansburg

Project Sponsor	Location of Project(s)	Project Sponsor	Location of Project(s)
Bedford Department of Social Services	Bedford	Office of Human Affairs	Newport News
Cares, Inc.	Petersburg	on our own, Charlottesville, VA, Inc.	Charlottesville
Citizens Against Family Violence, Inc.	Martinsville	People Incorporated of Southwest Virginia	Abingdon, Bristol and Grundy
City of Alexandria DHS/OCS	Alexandria	Prince William County Department of Social Services	Prince William County
Clinch Valley Community Action	Tazewell	Prince William County Office of Housing and Community Development	Prince William County
Community Lodgings	Alexandria	Project Horizon, Inc.	Lexington
Community Resource Network of Chesapeake, Inc.	Chesapeake	Rappahannock Council on Domestic Violence	Fredericksburg
Council on Domestic Violence for Page County	Luray	Rappahannock Refuge, Inc./Hope House	Fredericksburg
Crossroads Shelter, Inc.	Wytheville	Region Ten Community Services Board	Charlottesville
Culpeper Community Development Corporation	Culpeper	Response, Inc.	Woodstock
DOVES, Inc.	Danville	Safehome Systems, Inc.	Covington
Eastern Shore Coalition Against Domestic Violence	Onancock	Salvation Army of Alexandria	Alexandria
Family Crisis Support Services, Inc.	Norton	Salvation Army of Charlottesville	Charlottesville
Family Resource Center	Wytheville	Salvation Army of Harrisonburg	Harrisonburg
Fauquier Family Shelter Services, Inc.	Warrenton	Salvation Army of Lynchburg	Lynchburg
First Step: A Response to Domestic Violence, Inc.	Harrisonburg	Salvation Army of Petersburg	Petersburg
Franklin County Family Resource Center	Rocky Mount	Salvation Army of Williamsburg	Williamsburg
Friends of Guest House, Inc.	Alexandria	Salvation Army of Winchester	Winchester
Friends of the Homeless	Newport News	Serve, Inc.	Manassas
The Genieve Shelter	Suffolk	Services to Abused Families, Inc.	Culpeper
Granter Orange Community Development Corporation, Inc.	Orange	Shelter for Help in Emergency	Charlottesville
Hampton Ecumenical Lodgings and Provisions, Inc.	Hampton	Shenandoah Alliance for Shelter	Shenandoah County
Hampton-Newport News Community Services Board	Newport News	Southside Center for Violence Prevention	Farmville
Hanover Domestic Violence Task Force	Hanover County	St. Joseph's Villa	Henrico County
The Haven Shelter and Services, Inc.	Warsaw	Suffolk Shelter for the Homeless	Suffolk

Project Sponsor	Location of Project(s)	Project Sponsor	Location of Project(s)
Hope House of Scott County, Inc.	Gate City	Thurman Brisben Homeless Shelter, Inc.	Fredericksburg
Hostel of the Good Shepherd	Galax	Transitions Family Violence Services	Hampton
Laurel Shelter, Inc.	Gloucester	Volunteers of America of Chesapeake, Hilda Barg Homeless Prevention Center	Woodbridge
LINK, Inc.	Newport News	Warren County Council on Domestic Violence	Front Royal
Loudoun Abused Women's Shelter	Leesburg	Women's Resource Center of the New River Valley	Radford
Loudoun County Office of Housing Services	Loudoun County	YWCA of Central Virginia	Lynchburg
Lynchburg Daily Bread	Lynchburg	YWCA of Richmond	Chesterfield County

Housing Opportunities for Persons with HIV/AIDS (HOPWA)

Method of Distribution and Criteria for Awarding Grants

HOPWA offers grants to AIDS Service Organizations, local departments of health, Community Services Boards, and incorporated nonprofit housing organizations for acquisition, rehabilitation, new construction, leasing, operation of housing facilities, rental and mortgage assistance, utility payments, housing information, resource identification, technical assistance and supportive services for low-income persons with AIDS of HIV and their families.

Distribution Methodology

HOPWA funds are limited to jurisdictions outside of the Northern Virginia-Washington D.C., Newport News-Virginia Beach, and Richmond-Petersburg EMSAs and are allocated to six geographic service regions: Southwest, South Central, Northwest, Eastern, Eastern Shore, and the Middle Peninsula.

Beginning July 1, 2003, the HOPWA program year will coincide with the state fiscal year.

Applicant/Project Eligibility

Eligible applicants for HOPWA are nonprofit organizations and governmental housing agencies, including local government housing agencies, public housing authorities and governmental health and human service agencies that provide assistance for residential programs, such as transitional drug and/or alcohol abuse treatment and counseling, or institutional care, including sub acute care and inpatient treatment. Nonprofit housing organizations may coordinate with health and human service agencies.

Applicants are encouraged to submit a coordinated application for a region to ensure regional service coverage. A coordinated application should designate a Lead Agent responsible for overseeing regional administration of HOPWA funds, including serving a fiscal agent. Under this arrangement, the Lead Agency, while under contract with DHCD, would be expected to execute subcontracts with other organizations in the region.

Funding Thresholds

Each year regional funding targets are established using an "estimated need" that allocates 80 percent of program funds on the basis of the cumulative number of HIV and AIDS cases, excluding the deceased, reported to the Virginia Department of Health by local governments within in each of these regions. DHCD allocates the remaining 20 percent of HOPWA funds based on each designated region's proportion of the land area in the balance of state.

The state HOPWA program currently encompasses 31,749 square miles. Based on surveillance data from the Virginia Department of Health through December 31, 2001, 3,707 persons were residing in one of the ninety-one (91) localities under the state HOPWA program when their first positive HIV antibody test was performed or when they were first diagnosed with AIDS (see Distribution of HIV and AIDS Cases Within Program Service Regions). These statistics are based on the number of cumulative cases of HIV and AIDS reported per locality since 1989 and 1982 respectively, excluding deceased cases. Overall, the cases distributed across the state HOPWA geographic service area account for 13.3% of all cumulative cases of HIV/AIDS in Virginia.

The Department will deduct from the State's allocation the allowable 3 percent for administration These funds will be used to pay staff costs associated with administering the HOPWA grant (including travel costs for required site visits, technical assistance, training, and other materials directly related to the program).

Geographical Considerations

As previously stated, HOPWA funds are limited to jurisdictions outside of the Northern Virginia-Washington D.C., Newport News-Virginia Beach, and Richmond-Petersburg EMSAs and are allocated to six geographic service regions: Southwest, South Central, Northwest, Eastern, Eastern Shore, and the Middle Peninsula.

- The Southwest Region includes the Counties of Lee, Scott, Wise, Dickenson, Russell, Washington, Smyth, Tazewell, Bland, Wythe, Grayson, Carroll, Patrick, Henry, Pittsylvania, Campbell, Craig, Roanoke, Botetourt, Alleghany, Floyd, Pulaski, Buchanan, Amherst, Appomattox,

Montgomery, Franklin, Giles, Bedford and Halifax, and the Cities of Norton, Galax, Roanoke, Salem, Clifton Forge and Radford.

- The Northwest Region includes the Counties of Bath, Rockbridge, Lexington, Highland, Augusta, Albemarle, Nelson, Fluvanna, Louisa, Orange, Greene, Madison, Rockingham, Shenandoah, Page, Rappahannock, Caroline, and Frederick, and the Cities of Buena Vista, Charlottesville, Harrisonburg, Staunton, Winchester, and Waynesboro.

- The South Central Region includes the Counties of Amelia, Mecklenburg, Brunswick, Greensville, Lunenburg, Charlotte, Prince Edward, Nottoway, Buckingham, and Cumberland, and the City of Emporia.

- The Eastern Shore Region includes the Counties of Accomack and Northampton.

- The Middle Peninsula Region includes the Counties of Middlesex, Lancaster, Westmoreland, Richmond, Essex, King and Queen, King William, and Northumberland.

- The Eastern Region includes the Counties of Southampton, Sussex, and Surry, and the City of Franklin.

Outreach, technical assistance, and training activities will be targeted to the Middle Peninsula with a goal of a viable program in the area by December 31, 2003.

Awards for federal fiscal years 2001 and 2002 were made to the following organizations:

REGION ***Total Regional Allocation***		**AGENCY**	**FUNDING AMOUNT 2001** ***$555,000***	**FUNDING AMOUNT 2002** ***$614,000***
Southwest		Blue Ridge AIDS Support Services[1]	$172,100	$213,098
		Southside AIDS Venture	$69,875	$76,846
2001 *$266,438*	*2002* *$294,762*	Piedmont Community Services	$13,619	$15,662
Northwest		Northwest Virginia Council Of	$132,412	$146,489

REGION *Total Regional Allocation*		AGENCY	FUNDING AMOUNT 2001 *$555,000*	FUNDING AMOUNT 2002 *$614,000*
2001 $132,412	*2002 $146,489*	AIDS Service Organization[2]		
South Central		Housing Opportunities Made Equal	$85,966	$95,104
2001 $85,966	*2002 $95,104*			
Eastern Shore		Accomack-Northampton HRC	$25,870	$28,201
2001 $25,870	*2002 $28,201*			
SUBTOTAL			$499,842	$575,400
Unserved Areas				
Middle Peninsula		Set aside for future Sponsors	$25,491	$28,201
2001 $25,491	*2002 $28,201*			
Eastern		Set aside for future Sponsors	$18,823	$20,824
2001 $18,823	*2002 $20,824*			
TOTAL			$525,333	$603,601

Community Development Block Grants (CDBG)

Method of Distribution and Criteria for Awarding Grants

DHCD will award funding for Competitive Grants following a careful evaluation of all proposals received or postmarked by the March 26, 2003 deadline. Community Economic Development Fund, Community Development Innovation Fund, and Urgent Need Open Submission projects will receive funding on an open basis between January 1, 2003 and September 30, 2003. Community Economic Development Fund and Community Development Innovation Fund projects will be funded to the extent of the respective funding caps.

There is no cap on Urgent Need Open Submission (UNOS) projects. Urgent Need Open Submission projects that are received before March 20, 2003 will receive funding from the amount available for Competitive Grant projects. Urgent Need Open Submission projects received between March 20, 2003 and September 30, 2003 will receive funding from the amount available for Community Economic Development Fund projects.

Funding for Community Economic Development Fund and Community Development Innovation Fund projects which has not been obligated following September 30, 2003 will be committed until December 31, 2003 to Self-Help projects, demand permitting, Planning Grants, demand permitting, to projects with Letters of Intent or awarded to the next highest ranking 2003 Competitive Grant projects. Funding recaptured through closeout of older Community Improvement Grant projects or which is returned to DHCD as Program Income may also be committed to funding additional Competitive Grant, Planning Grant or Self-Help projects.

Planning Grants will be awarded on an open basis between January 1, 2003 and September 30, 2003.

GENERAL POLICIES

Several policies are applicable to all assistance available under the Virginia Community Development Block Grant Program, except where otherwise noted:

NATIONAL OBJECTIVES
All proposals and all project activities must address one of the three national objectives as detailed in the earlier section entitled Community Development Block Grant (CDBG) National Objectives.

ELIGIBLE LOCALITIES
Non-entitlement units of local government are the only eligible recipients of Virginia CDBG funding. Eligible local governments may contract with Planning District Commissions, non-profit organizations, and other competent entities to undertake project activities.

ELIGIBLE ACTIVITIES
All activities listed as eligible in the Community Development Block Grant regulations under 24 CFR Part 570.201, Subpart C are eligible for funding under the Virginia CDBG Program. These regulations are available via the World Wide Web at the following address:
http;//www.access.gpo.gov/nara/cfr/waisidx_02/24cfrv3_02.html.

CITIZEN PARTICIPATION REQUIREMENTS
All applicants must provide citizens an adequate opportunity to participate in the development of proposals for CDBG assistance, particularly Community

Improvement Grant proposals. Notwithstanding important, ongoing, informal organizational efforts, each applicant for Community Improvement Grant funding must hold two public hearings to notify citizens of details of its past use of CDBG funding and of the activities, level of funding, and level of benefit targeted by its current application. In regional proposals, all participating local governments must hold these public hearings. Formal citizen participation requirements for participating localities may be found in Appendix B of the 2003 Virginia Community Development Block Grant Program Design document.

MULTI-CONTRACT LIMITATIONS

CDBG assistance is targeted for those localities where it will have the greatest impact on significant community development needs. However, localities with multiple current contracts for CDBG assistance will not receive additional assistance until the activities under the old contracts have been completed.

Localities may not exceed $2.5 million in open CDBG contracts. Contracts are open if not all required funding has been expended, not all contractual obligations have been met, and/or required closeout forms have not been submitted to and physically received by DHCD. This limitation includes Community Economic Improvement Fund contracts, Urgent Need Open Submission contracts, Planning Grant contracts, and Community Development Innovation Fund contracts. Contracts for Self-Help projects are exempt from the $2.5 million limitation.

REGIONAL PROJECTS

One local government must be designated as the lead locality for each regional project. Before receiving a contract with DHCD the lead locality and each participating locality must enter into a legally binding cooperative agreement to ensure equitable project implementation and compliance with all applicable regulations. Almost any project type may be considered regional if planning or implementation activities occur in or concern each of the participating localities. Regional projects targeting physical improvements must be contained to a single area that includes portions of adjacent CDBG-eligible localities. Each locality participating in a regional project is responsible for having dollar value capacity under the Multi-Contract Limitations.

Regional projects are limited to the grant maximum listed for that project type, except Community Improvement Grants for regional infrastructure. Regional infrastructure projects are limited to $2,000,000 of VCDBG assistance. Regional projects are those where localities either create a new entity to manage the infrastructure system or combine systems under a single entity. Projects simply extending utility lines from one jurisdiction to another or creating interconnections between currently existing systems will not be considered regional.

The regional infrastructure project must document the following:

- A significant need to be addressed through services within each participating locality's borders for the benefit of its residents, including investment by each

locality, equity in rates charged for service, and assurances that system improvements will be adequately maintained; *AND*,

- Consolidation of two or more existing utility systems into a single operating entity, such as a Regional Service Authority, or creation of a new operating entity that serves the region with at least 51% of CDBG expenditures devoted to new service or a significant service upgrade.

PROGRAM INCOME

Income generated by a CDBG project is Program Income and must be returned to DHCD except in cases where a Program Income Plan has been approved. Such Plans will, in general, only be approved when the income will be reinvested in the same activity that generated the income and in the same geographic location from which it was generated. Program Income received by DHCD will be used to fund additional eligible VCDBG projects.

CONTRACT NEGOTIATION

Following announcement of the award of a grant, DHCD will schedule a Contract Negotiation Meeting with a locality to further discuss the terms of the grant offer and to identify actions which must be taken by a locality, generally within a 90 day period, in order to receive a contract from DHCD. Failure on the part of a locality to complete identified actions will result in revocation of a grant offer by DHCD. Such actions typically include, but are not limited to, completion of Federal requirements, drafting and execution of other contracts and agreements, resolution of issues from previous contracts with DHCD, and completion of certain management planning activities.

FACILITY CONTROL

Any facility built or improved with VCDBG funding must be controlled for at least 20 years through ownership or lien by the local government and maintained for the intended use OR the facility or the amount of VCDBG funding invested in the facility must be returned to the local government to utilize for other VCDBG-eligible activities authorized by DHCD.

ANTI-DISPLACEMENT

Localities must minimize the displacement of individuals, families, businesses, organizations, and farms in implementing projects using CDBG funding. This includes direct displacement resulting from real property acquisition, rehabilitation, demolition, and conversion and any indirect displacement.

Localities targeting Community Improvement Grant funding must certify that displacement will be minimized at the local level and that a Residential Anti-displacement and Relocation Assistance Plan will be followed that includes a one-for-one replacement provision. Each recipient of Community Improvement Grant funding must provide financial benefits and advisory services to any individual or entity involuntarily and permanently displaced because of a CDBG-assisted activity. This assistance must be provided on an equitable basis.

PROJECT ENHANCEMENTS

Additional funding of up to 10% of the VCDBG award *may* be made available to Community Improvement Grant projects for project enhancements. Funding for enhancements may be included in CIG proposals and budgeted accordingly or discussed at the contract negotiation meetings following the announcement of CIG awards. Funding will only be authorized for the actual costs of those enhancements that are consistent with and add measurable value to the original CIG activities. Examples of possible enhancements include providing construction skills training to residents of a neighborhood targeted by a Comprehensive project or creating a homeownership program to support a Housing Rehabilitation project.

PROJECT ADMINISTRATION

VCDBG funding may be used to cover administrative costs for all types of Community Improvement Grants. VCDBG-eligible administrative costs are limited to 10 percent of the total VCDBG award. Absolute limits depend on the project type:

- $50,000 for Competitive Grant – Community Facility projects, Community Economic Development Fund, and Urgent Need;
- $60,000 for Competitive Grant – Competitive Grant - Community Service Facility projects and Community Development Innovation Fund (except CDVC Fund) projects;
- $75,000 for Competitive Grant – Housing projects and Two-Activity Competitive Grant - Comprehensive projects; and
- $90,000 for Competitive Grant - Three-Activity Comprehensive projects and Regional Community Facility projects.

Administrative cost targets may be modified during contract negotiations. VCDBG funding generally may not be used for administrative costs in Planning Grant projects unless the locality receiving the Planning Grant award has never received prior VCDBG assistance.

A 10% administrative bonus, over and above the limits expressed for each project type, is available to Comprehensive, Downtown and Housing Rehabilitation projects when these projects are completed within the original contracted period. Any extension to the original contract date will render the project ineligible for receipt of the 10% administrative bonus. The administrative bonus will be drawn from:

1. Funds leftover in the grant at closeout of the grant; or, should no such funds be available,
2. Returned funds to the Virginia CDBG program during the program year in which the project was completed.

A completed project has all work completed at the original termination date of the contract. In projects where housing rehabilitation and/or façade improvements

are a component, the housing/façade program must be complete with no more work scheduled and no more demand for work to be done. In such cases, 90% of all housing/façade work must be complete in order for the locality to claim the project is complete and therefore access the administrative bonus.

PROJECT MODIFICATIONS

DHCD reserves the right to adjust requests for VCDBG assistance and the terms of this assistance to optimize the provision of benefits, ensure that activities and improvements are eligible for VCDBG assistance, and otherwise promote efficient utilization of available funding.

LETTERS OF INTENT

For projects where it is apparent that, because of the timing of the availability of other funding sources or similar factors, project implementation will not begin following an award of VCDBG funding, DHCD reserves the option of offering such a project a Letter of Intent for future VCDBG funding. Such future funding may be a commitment from a current or future year's CDBG allocation. Decisions to issue Letters of Intent will be made during the proposal review process. Applicants will receive notice of an award of a Letter of Intent at the same time other applicants receive notices of awards of funding.

Letters of Intent will generally be provided only to Competitive Grant proposals and will be limited in cumulative value to 30% of any individual year's CDBG allocation. All Letters of Intent issued during 2003 will expire on May 1, 2004. DHCD reserves the right to establish an alternative Letter of Intent expiration date between May 1 and September 30, 2004 to accommodate exceptional circumstances. A locality receiving a Letter of Intent can receive a funding offer if it executes formal agreements with all outstanding funding sources, resolves any outstanding issues, and takes formal steps to begin project implementation, such as publication of an invitation to bid for a project involving construction activities.

No extensions of a specified Letter of Intent termination date will be permitted. Letters of Intent for which all outstanding issues have not been addressed by this date will be voided, terminating all potential future funding obligations related to the original proposal submission. Localities impacted by a voided Letter of Intent will be eligible, multi-contract rule permitting, to submit a proposal for the same project in subsequent VCDBG funding competitions.

CONTRACTS AND PAYMENTS

DHCD reserves the option of funding projects under more than one performance-based contract and from more than one year's CDBG allocation. DHCD reserves the option of canceling additional contracts due to non-performance on initial contracts.

DHCD will make prompt payments under current contracts pending confirmation that performance expectations are being met. DHCD reserves the option of

withholding payments for non-performance under any particular VCDBG project and for non-performance under any other DHCD programs.

DHCD TECHNICAL ASSISTANCE

DHCD will provide technical assistance to local governments and their agents in preparing and submitting proposals and otherwise pursuing assistance under the Virginia CDBG Program. This assistance will generally occur via telephone, facsimile transmission, electronic mail, formal meetings, and occasional site visitation.

PLANNING DISTRICT COMMISSION REVIEW

Local governments must comply with the provisions of §15.2-4213 of the Code of Virginia. This section of the Regional Cooperation Act requires that local governments notify Planning District Commissions of applications for state or federal aid. As this notification is for informational purposes only, it may take many forms during the pursuit of VCDBG assistance. Notification may be more standardized for those VCDBG assistance offerings with formal proposal submission requirements.

DRY WELL REPLACEMENT PROGRAM

The Dry Well Replacement Program (DWRP) is a temporary set-aside program for which $1,000,000 in CDBG funds have been reserved to provide financial assistance to low-and moderate-income households who have experienced a complete loss of water at their private water source because of drought conditions in 2002. Only localities that are eligible for Virginia non-entitlement CDBG funds are eligible to receive CDBG DWRP and these localities in turn must use the DWRP to provide financial assistance to households that meet the following conditions:

- The household's source of water must be dry or have been unusable for a sustained period of time;
- The household's gross is income below the U.S. Department of Housing and Urban Development's Section 8 low- and moderate- income criteria of 80% of the area median by family size.

Applications for the CDBG DWRP will be received on an ongoing basis from January 1, 2003 until either all funds are committed or until September 30, 2003, whichever comes first. In the event that funds remain in the CDBG DWRP after September 30, 2003, DHCD reserves the right to evaluate ongoing demand for the program and use these funds to continue the DWRP or to use these funds for Self-Help Projects or, failing demand in that program, to fund the next highest ranking 2003 Competitive Grant projects.

The following activities are eligible under the DWRP:

- Permitting;
- Drilling;

- Installation of the well;
- Associated costs of installing the well including grouting, housing, liner, pumps, and service lines.
- Extension of public water line and residential connections to public systems within the $5,000 per house cost limit;
- Administrative, legal and other related non-construction costs not to exceed $750.

The cost limit for completion of eligible construction activities is $5,000 per house. A locality may also access $750 per house in administrative, legal and other related non-construction costs. Expenses incurred related to drilling holes that do not result in tapping into a permanent water source are ineligible. It is a requirement of this program that a household must connect to a local public water system where this can be done within the $5,000 per house cost limit. In such cases, a "tap" or connection "fee" may not be charged.

Funds are made available as a loan to the client and payback of the loan is predicated on the recipient household's ability-to-pay. The loan is made to the client at 0% interest amortized over ten (10) years. The difference between the client's ability-to-pay and the actual cost of the loan per month at 0% interest is forgiven on a monthly basis. The loan must be secured by a lien, which is held by the locality that receives the funds from DHCD.

PLANNING GRANTS

Background

Virginia's CDBG Planning Grant program provides two kinds of grants: Project Planning_Grants, and Community Organizing Planning Grants. They assist communities with the greatest community development needs to develop clearly articulated strategies for addressing their needs following meaningful citizen participation.

Planning Grant funding totaling $500,000 is available on an open basis from January 1, 2003 until September 30, 2003 or until all of the funding is committed, whichever comes first. At its January 2003, Planning Grant workshops, DHCD staff reviewed the process for requesting Planning Grant funding while representatives of previously successful localities discussed their experiences.

A locality seeking Planning Grant assistance must submit an Interest Letter in accordance with format developed by DHCD. The Interest Letter will briefly describe the project area and its community development needs, discuss the locality's and the project area's readiness and capacity to proceed with a participatory planning process, and provide some justification for this funding source. DHCD will review this Interest Letter and provide the applicant locality with a written response outlining activities that must be accomplished before a Planning Grant investment and/or which invites the locality to submit a brief

Planning Grant proposal in accordance with the Planning Grant Proposal Format. Awards of Planning Grant funding will be made following DHCD review of Planning Grant proposals.

Categories

Project Planning Grants
Project Planning Grants of up to $25,000 are available for needs analysis and prioritization, preliminary design, and strategy development activities in preparation for a future Community Improvement Grant proposal. DHCD reserves the option of awarding additional Planning Grant funding in excess of this limit for projects which are particularly innovative, challenging, or costly. Eligible activities include:

- Community assessments, needs analyses, and need prioritization
- Activation and organization of target area residents and stakeholders
- Surveys of residents, users, customers, and potential beneficiaries
- Obtaining easements and user agreements
- Development of cost estimates and Preliminary Engineering Reports (PERs)
- Completion of market studies

Project Planning Grant activities must be conducted with the maximum participation of residents, potential beneficiaries, stakeholders, and local leaders. This participation should be carried out in accordance with the Virginia Community Development Block Grant Citizen Participation Plan for Local Government Applicants. Planning Grant activities should be oriented towards products that relate directly to a future Community Improvement Grant project. These products should detail community development problems and present realistic solutions for treatment of these problems. All Project Planning Grant recipients must submit complete Community Improvement Grant proposals following completion of all planning activities unless otherwise negotiated with DHCD.

Community Organizing Planning Grants
Community Organizing Planning Grants of up to $10,000 are available to activate and organize community residents to develop strategies for future social and physical improvements. Eligible activities include:

- Conducting assessments of community strengths, weaknesses, opportunities, and threats
- Establishing goals and objectives
- Developing work plans and implementation strategies

Citizen participation is the central purpose of these Planning Grants and should result in an organized, informed community that has reached consensus on a

practical vision of the future and has the capacity and options available for future community improvement.

The sole product of these grants is a summary of planning efforts undertaken and results of this planning. All Community Organizing Planning Grant recipients must submit complete Project Planning Grant proposals or pursue project planning under a Just-In-Time or Technical Assistance Planning Grant following completion of organizing activities unless otherwise negotiated with DHCD. A Community Improvement Grant proposal is not required following a Community Organizing Planning Grant.

Of the $500,000 available for Planning Grants, no more than $60,000 will be targeted for Community Organizing Planning Grants. This amount is only a maximum, not a reservation of funds.

Proposal Evaluation
Planning Grant investment decisions will be based on the following:

Clear indications of community development needs: Proposals must demonstrate some local knowledge of the scope and scale of the community development needs in the proposed project area and provide evidence that the needs are known among potential beneficiaries and local officials alike.

Potential benefits: The identified needs must generally be eligible for future VCDBG investments. One test of eligibility is whether the need can be addressed under at least one of the three CDBG national objectives, particularly benefit to low- and moderate-income persons. Another test is whether the need can be addressed through one of the VCDBG funding options, including Competitive Grants, the Community Development Innovation Fund, and the Community Economic Development Fund. There must also be evidence of participation by potential beneficiaries in the Planning Grant process to the extent that needs and demand can be fully assessed.

Adequate local readiness*:* Local officials and stakeholders alike must demonstrate they are committed to fully identifying and addressing local needs. Generally, a management team must exist which is comprised of stakeholders and local officials. This team must agree to meet regularly to actively address issues that arise during the planning process. The locality must show a willingness to remove any barriers to addressing the identified needs, particularly those controlled locally. Finally, the locality must also commit financial resources to fill gaps not covered by Planning Grant assistance.

Adequate local capacity: The locality and management team must show they have the expertise, funding, and time to follow through with the planning process. If local expertise is lacking, the locality must procure professional assistance. If

funding is lacking, the locality must identify other sources of funding. Sufficient time must be available.

Need for Planning Grant funding: Localities that have already participated in the VCDBG program should target Planning Grant assistance for projects that are innovative and/or unlike anything the locality has previously undertaken or for components of typical projects which the locality cannot undertake with its own resources. For localities that have not participated extensively in the VCDBG program, Planning Grant assistance can targeted a range of costs associated with obtaining community input and contracting for professional assistance. The locality must state its case adequately for Planning Grant funding in its proposal.

Payment for Performance

All Planning Grant projects will have a common action, which is a Facilitated Planning Strategy session. This session must include all key local stakeholders and appropriate staff from DHCD and other relevant organizations. This session will establish planning performance targets and decision points that will provide the basis for DHCD's issuance of a Planning Grant contract.

Contracts for Planning Grants will stipulate the criteria, date, and grant amount for successive performance targets. Successful completion of targets will trigger the release of grant funding and the obligation of additional funding for activities related to future performance targets. A negotiated amount of funding may be provided to localities for the initiation of planning activities, but this amount will be an element of the total amount of Planning Grant funding committed to a project. For most Planning Grants, the total amount committed to a single project will be negotiated with the locality and will depend upon the level of need, community capacity, and readiness. The total amount will not exceed the amounts listed in this Program Design or negotiated with DHCD.

Technical Assistance

Localities interested in Planning Grant assistance can contact DHCD at any time to discuss a particular project or find out more about the Planning Grant offering.

COMMUNITY IMPROVEMENT GRANTS

Virginia's CDBG Community Improvement Grant (CIG) option is designed to aid those communities with the greatest community development needs in implementing projects that will most directly address these needs.

There are four options for Community Improvement Grant assistance: Competitive Grants, Community Development Innovation Fund Grants, Community Economic Development Fund Grants, and Urgent Need Open Submission Grants.

COMPETITIVE GRANTS

Competitive Grants are awarded following the Virginia Department of Housing and Community Development's (VDHCD) competitive review of the applicable proposals. The deadline for submission of Competitive Grant proposals to the VDHCD will be March 27, 2002. No proposals will be accepted under this option before March 13, 2003. Proposal review will occur during April and May of 2002. Announcement of Competitive Grant offers is anticipated by June of 2003.

Of the estimated $18,311,570 available in 2003 for Community Improvement Grants, approximately $12,311,570 will be available for Competitive Grant projects.

There are five primary project types under the Competitive CIG option:

- Comprehensive Community Development
- Economic Development
- Housing
- Community Facility
- Community Service Facility

Localities whose potential projects contain features applicable to more than one of these project types should contact DHCD for technical assistance.

The policies applicable to these project types are detailed below.

Comprehensive Community Development
These projects target the completion of a range of improvements to a neighborhood that respond directly to identified needs. These needs should be derived from a recent client-based needs assessment of the neighborhood or target area. This assessment should include analysis of a full range of need areas including housing, water, sewer, streets, drainage, sidewalks, solid waste/garbage, debris removal, street lighting, recreation, police protection, fire protection, and other neighborhood-specific items.

Eligible Comprehensive projects must target the completion of improvements to an appropriate level of significance in relation to needs identified through the assessment. All Comprehensive projects must target at least two significant activities. Furthermore, this significance must be demonstrated by category, such as housing, sewer, or water, rather than by component, such as owner-occupied housing rehabilitation or substantial reconstruction. Comprehensive eligibility provisions are as follows:

For projects with exactly two significant activities:
- Eligible for up to $1,000,000 in CDBG assistance
- Significant activities will be those which have a representation in the project budget no lower than 20% and no higher than 70% of the total project cost

- Activities with a budgetary representation of less than 20% can be included in the project and may be eligible for CDBG funding pursuant to typical eligibility factors and provided funding remains under the $1,000,000 limit.

For projects with at least three significant activities:
- Eligible for up to $1,250,000 in CDBG assistance
- Significant activities will be those which have a representation in the project budget no lower than 10% and no higher than 60% of the total project cost
- Activities with a budgetary representation of less than 10% can be included in the project and may be eligible for CDBG funding pursuant to typical eligibility factors and provided funding remains under the $1,400,000 limit.

Street improvements will be eligible for VCDBG assistance where:
- Specific street sections are targeted for improvement through a client-based needs assessment;
- The targeted sections were not built to VDOT or community standards and are not part of a current public maintenance system;
- All higher priority community needs will be addressed using VCDBG or other funding; and,
- The applicant locality can provide documentation that no other funding is available to address these improvements.

All activities targeted for VCDBG assistance in Comprehensive projects must be designed in accordance with the appropriate policies established by the Program Design. Where justified and feasible, Comprehensive projects may include Economic Development and Community Services Facility activities. As described under **PROJECT ENHANCEMENTS** on page VI-64, additional VCDBG funding may be available for additional project activities.

Economic Development
There are two primary purposes for VCDBG assistance to economic development activities:
- Create job and business opportunities for low- and moderate-income persons, particularly in the most economically-disadvantaged, VCDBG-eligible areas of the Commonwealth; and,
- Eliminate blighting conditions in deteriorated areas as a means of creating better environments for future economic activities.

VCDBG assistance is available for economic development activities under the following categories: **Job Creation and Retention**, **Entrepreneurship Development**, **Economic Environment Enhancement**, and **Development Readiness**.

Most economic development projects will focus on one activity category. Some projects may focus on two or more. Projects targeting one category, except for entrepreneurial assistance, are eligible for up to $700,000 in VCDBG assistance.

Projects targeting two or more categories, except for entrepreneurial assistance, are eligible for up to $1,000,000. However, no single activity within a multi-activity economic development project may represent more than $700,000. Entrepreneurial assistance activities are limited to $100,000 whether alone or in combination with other activities. Projects must, as applicable, abide by the **Industry Commitment**, **Appropriate Determination**, **VCDBG Investment**, **LMI Benefit**, **Intrastate Piracy**, and **Ineligible Activities** policies outlined on pages -------- of the Community Economic Improvement Fund section.

DHCD reserves the right to adjust requests for VCDBG economic development assistance and the terms of this assistance to accommodate only appropriate improvements. These adjustments, if applicable, would be made following competitive evaluation of all Community Improvement Grant proposals.

Job Creation and Retention

The ***Job Creation and Retention*** category under the Competitive Grants option targets projects with job creation resulting from commercial enterprises, sheltered workshops, or other non-basic industries, or projects with job retention by basic and non-basic industries. VCDBG assistance under ***Job Creation and Retention*** is available for on-site or off-site_assistance to these enterprises. Applicants must prove a clear need for the off-site improvements and show justification for their scope and scale through Preliminary Engineering Reports and other analyses. Competitive Grant proposals with on-site improvements are subject to underwriting (as assistance would be in the form of a loan to the applicant locality) and must have completed an Appropriate Determination package and submitted it to DHCD by March 1, 2003. This package became available from DHCD after January 1, 2003.

The Community Economic Improvement Fund is a reservation of $4,000,000 for projects involving assistance to basic industries that commit to private sector investment and job creation. The provisions of this Fund are detailed below on page -- of this document. Projects targeting job creation by basic industries will only be eligible for funding under the Community Economic Improvement Fund.

Entrepreneurship Development

Up to $100,000 of VCDBG funding will be available for entrepreneurship development activities in Economic Development projects. These activities may be the only activities in a project or may accompany other activities.

VCDBG assistance will be targeted for those projects that cover gaps in one or more of the following five elements:

<u>Access to Capital and Financial Assistance</u>

- Loan funding (such as offered in **microenterprise assistance programs**), equity funding, or working capital for business start-up or expansion; or,

- Development of peer lending pools, individual development accounts (particularly those targeting business creation), or other innovative business financing mechanisms.

Technical and Managerial Assistance

- Physical or operational assistance to a small business incubator which provides a broad array of entrepreneurial assistance services;
- Establishment of business mentoring programs;
- Market feasibility and business planning assistance; or,
- Other forms of business management assistance.

Technology Transfer

- Financing and technical assistance for research and development for specific types of businesses;
- Patent and licensing assistance;
- Development of firm working relationships between research entities and potential entrepreneurs which result in the creation of new businesses and/or jobs; or,
- Product development assistance resulting in the creation of new businesses and/or jobs.

Entrepreneurial Education and Training

- Entrepreneurial curriculum development at educational institutions of any level which includes mentoring and hands-on experiences as well as classroom training;
- Training and workforce development in declining or fledgling industries or businesses; or,
- Other entrepreneurial education and training efforts resulting in the creation of new businesses and/or jobs.

Entrepreneurial Networks

- Development of entrepreneurial assistance efforts targeting business creation or expansion in specific business sectors with tangible involvement of affected entrepreneurs;
- Enhancement of market clusters and supply chains in assistance to entrepreneurs within specific sectors;
- Development of peer-to-peer relationships among entrepreneurs in similar or compatible businesses or other business to business linkages; or,
- Other network development activities that lead to the creation of new businesses, expansion of existing businesses, and/or the creation of jobs.

VCDBG assistance will be targeted to those entrepreneurship development efforts that have a comprehensive focus. Applicants must:

- Show consideration of all facets of assistance to entrepreneurs;

- Demonstrate that VCDBG resources will be applied to those assistance efforts which currently do not exist or which are inadequate towards meeting the demand for such assistance

VCDBG assistance will not be provided to establish duplicate efforts to serve entrepreneurs or to create economies of scale among existing efforts unless they drastically increase entrepreneur service levels. Applicants must demonstrate that other options for funding specific entrepreneurship development efforts either do not exist or have been exhausted by the applicant before requesting VCDBG assistance. Entrepreneurship projects must also verify their outcomes in terms of specific numbers of business created, jobs created, and persons employed.

Economic Environment Enhancement

These activities will improve the economic environment of a locality by enabling the removal of slums and blighting conditions threatening the health, safety, and welfare of the community as a whole and have an adverse impact on the value of real property that, in turn, adversely affects community wealth. By addressing these blighting conditions, localities can eliminate hazardous conditions and halt disinvestment in the community.

There are two primary economic environment enhancement options under the VCDBG program: *business district revitalization* and *site redevelopment*.

Business District Revitalization

Under this option, an applicant may target the revitalization of a downtown or other commercial district. An applicant must clearly delineate the boundaries of the district and provide the rationale for its delineation. Physical considerations, such as the point where land uses transition from commercial to residential or where a river or railroad adjoin an area, and social considerations, such as public perceptions of boundaries may be used to delineate an area.

Applicants must identify all elements of physical and economic blight within the defined area:

Physical Blight

The deteriorated conditions or states of disrepair of district infrastructure, buildings, and other physical elements that detract from the overall appearance and identity of the district and, in turn, depress property values and inhibit efforts to market and attract investment.

Economic blight

The existence of vacant, disinvested, or underutilized buildings and parcels representing unrealized commercial potential and projecting a negative image harming efforts to attract new investment.

Applicants must address all blighting conditions using VCDBG funding and other resources. VCDBG funding targeted for real property acquisition and demolition or transformation must be linked to the designation of a Redevelopment or Conservation area under Virginia law. Building demolition should be programmed only as a last resort. The displacement of residents and businesses should be minimized.

All revitalization activities must include significant participation by district stakeholders, including property owners, business owners, local government officials, and concerned citizens. This participation should follow a modified Main Street approach to business district revitalization. The Department can provide additional information on this approach. The participation should, in part, lead to the development of a Revitalization Plan. VCDBG funding may target implementation of other elements of a Revitalization Plan, including support for business district organization, for marketing efforts to secure private investments, and for minimal cosmetic improvements to non-blighted elements. Entrepreneurship development activities are eligible as an addition to Business District Revitalization projects as per the guidance on categories and limits in Economic Development projects.

Site Redevelopment

This option targets sites that previous uses have rendered unmarketable or unusable and that have conditions with an impact beyond the boundaries of the site. VCDBG assistance may be used to correct identified conditions, provided they are justified as blight.

Applicants must detail the conditions and demonstrate local consensus that the conditions, real or perceived, exist and that addressing these conditions is a local priority. Treatment of these conditions must increase the potential for investment on this site and surrounding this site.

Activities may include the modification or demolition of existing structures. Activities may be targeted to more than one site under a single project if it can be demonstrated that the accumulation of these sites has a single identity and/or each individual site has conditions that impact areas beyond its boundaries.

As with business district revitalization, site conditions and corrections for these conditions should be determined through stakeholder participation. Eligible activities beyond elimination of blighting conditions include real property acquisition and site marketing.

Development Readiness

This category permits the completion of improvements that will result in the future creation of businesses and job opportunities providing primary benefit to low- and moderate-income persons. The focus of this category is on removing barriers to economic investment, particularly in areas of distress. Such barriers include:

- The existence of previously used sites and structures for which reuse for economically beneficial activities is not cost effective compared to development or construction on a new site.
- The lack of building space to accommodate business location or expansion and the prohibitive cost of constructing or adaptively reusing space, especially for small businesses.

This category directly addresses these barriers by making resources available for site redevelopment and for commercial building development. Eligible activities include acquisition, site preparation, on-site and incidental off-site infrastructure, architectural and engineering costs, building rehabilitation or construction, and administration. These activities can be implemented only if the site and/or building is publicly owned.

All VCDBG financing for these projects, except administrative costs, must be recovered upon the sale or long-term lease of the site or building to a private sector entity that will create the required jobs. Full recovery of the funds must occur within two years of the completion of construction activities for Competitive localities and within three years for Transitional and Distressed localities.

Failure to secure a private sector entity to purchase or lease the improvements within the required time will require the locality to repay administrative *and* construction costs. Recovered funds will be regarded as Program Income and will be subject to the previously outlined Program Income policy.

The availability and amount of VCDBG funding will depend upon the number of projected new jobs. In Competitive localities, at least 50 full-time jobs must be created and VCDBG participation will, in combination with other public funds, be limited to $10,000 per job. In Transitional localities, at least 20 full-time jobs must be created with VCDBG participation again limited to $10,000 per job. In Distressed localities, at least 10 full-time jobs must be created and VCDBG participation will be limited to $10,000 per job, except where the local economy is diversified wherein VCDBG participation will be limited to $25,000 per job.

Only VCDBG-eligible localities may secure funding for development readiness activities. These localities may implement these activities directly using available funding or may lend these funds to a local or regional non-profit economic development entity that will implement the activities. Such an entity must have

the capacity to borrow and administer Federal funds for economic development purposes.

In all such efforts, there must be direct links to an entity with the capability and willingness to administer a formal marketing program. A comprehensive marketing strategy for growing and/or attracting businesses and creating employment, primarily through basic industries, must accompany requests for VCDBG funding. The strategy must identify one or more sectors or industries target for marketing. The VCDBG assisted site or building should have a prominent position in the strategy. The strategy must be supported by an organization that is financially and technically capable of conducting the marketing program.

Applicants for development readiness assistance must demonstrate that public benefit will result from the VCDBG investment and that there is a clear relationship between the proposed site or building improvements and existing economic development strategies.

Only under the Development Readiness category are somewhat speculative physical improvements permitted since these improvements are treated as loans to the locality. Physical improvements under all other economic development categories must be consistent in scope and scale with the underlying needs.

Housing

Housing activities are eligible for VCDBG assistance to improve the living conditions of low- and moderate-income (LMI) persons. VCDBG funding may be used to rehabilitate LMI-occupied housing units or support the development of new housing units to be occupied by LMI persons. There are two categories of assistance under the housing project type:

Housing Rehabilitation
Housing Production Assistance

Housing Rehabilitation

VCDBG assistance is provided to improve LMI-occupied housing units to DHCD Housing Quality Standards. Assistance is made available under Comprehensive Community Development projects, to units lacking indoor plumbing in Community Facilities projects, and as a single activity Housing project.

Housing projects targeting housing rehabilitation activities are eligible for up to $1,000,000 in VCDBG assistance. Such projects must target housing rehabilitation needs within a single, well-defined project area. Because rehabilitation activities may not begin simultaneously on all eligible housing units in a project area, DHCD reserves the right to fund such projects under more than one performance-based contract and from more than one year's CDBG allocation. DHCD may cancel additional contracts due to non-performance on initial contracts.

Crucial non-housing activities or non-construction housing support activities that will clearly complement the housing improvements taking place in the project area and will meet a national objective may be included in a housing rehabilitation project. VCDBG participation in these activities shall not exceed 15 percent of the total amount requested. Up to 10 percent of the total housing rehabilitation activity budget may be used for Rehabilitation Specialist services such as inspections, specifications, and bidding.

Rehabilitation assistance is available for both owner-occupied and investor-owned properties. Owner-occupants must incur a monthly financial obligation following receipt of VCDBG rehabilitation assistance that is based on the monthly amortization of rehabilitation costs over a 10-year period at 0 percent interest (less the actual costs of lead-based paint abatement and accessibility improvements). Owner-occupant monthly payments must be determined by ability-to-pay calculations that take into consideration income, expenses, and other household considerations. The ability-to-pay calculation will determine the monthly amount the household could afford for repayment of the VCDBG rehabilitation assistance. The difference between the total monthly amortization amount and the amount paid by the homeowner must be forgiven. This forgiveness must occur on a monthly basis, not in a lump sum write-off.

Ability-to-pay calculations will be based on 25 percent of household income. If any ability-to-pay is demonstrated, the corresponding amount must be collected. They must also be made for the tenant households of investor-owned properties. These calculations permit evaluation of rent affordability. Affordable rent is defined as a cost of occupancy that, including tenant-paid utilities, does not exceed 35 percent of total household income. If a project includes assistance from other programs that require a more stringent definition of rent affordability, this more stringent standard must be applied.

Investor-owner participation in rehabilitation must include execution of a legally recorded commitment to provide the improved housing units to LMI households for no less than 10 years at affordable rents. Investor-owner financial participation to offset the cost of improvements can reduce the number of years of required LMI benefit at a rate of one year per 10 percent of owner funding provided, up to a maximum of five years and 50 percent. Rent levels shall not be increased between the Community Improvement Grant submission date and the date of announcement of CIG awards. Investor-owners may not increase rents beyond actual direct cost increases, such as taxes and insurance, for at least five years, or for the term of the loan, if longer. The rent amount must be clearly established in the rehabilitation contract and shall remain at the same level for all subsequent tenants for the balance of loan term.

No vacant unit shall be rehabilitated with VCDBG funding unless the house was rented for at least six months of the preceding year, the unit was purchased by

an LMI household, or the unit is owned by a locality, housing authority, or non-profit and will be sold to or lease-purchased by an LMI household.

Applicants may use up to $25,000 of VCDBG funding to rehabilitate eligible housing units, not including manufactured homes, to DHCD Housing Quality Standards and up to $33,000 to substantially reconstruct housing units determined to be unsuitable for rehabilitation. Manufactured home rehabilitation is limited to $10,000. In addition to these base costs, applicants may use up to $1,000 per household for temporary relocation costs *AND*, with DHCD approval, further exceed these base limits by up to $20,000 for the following exceptions:

- Installation of a well and/or septic systems or water and/or sewer connections;
- Provision of ramps and other accessibility features;
- Provision of one or more additional bedrooms to relieve an overcrowded situation in which more than two bedrooms are necessary or other changes to a unit's footprint;
- Actual laboratory costs for evaluation of lead dust tests; and,
- Construction of a bathroom

Cost for demolition required for substantial reconstruction activities, are eligible as a separate cost and need not be considered under the base or exception cost limits.

Housing Production Assistance

VCDBG assistance is available to support the development of new single- and multi-family housing units targeted for low- and moderate-income persons. VCDBG funding is applicable to most project costs, including final design and construction costs, in projects that will adaptively reuse existing structures for housing. These projects are eligible for up to $700,000 in VCDBG assistance.

In new construction projects, VCDBG assistance is limited to the design and construction of site improvements. Funding for new construction must generally be obtained from local or other resources. CDBG funding cannot be used for the construction of new housing, except as provided under the last resort housing provisions of 24 CFR Part 42 or as authorized under Section 17 of the United States Housing Act of 1974. CDBG funding may be used for new housing construction costs where a neighborhood-based non-profit has primary responsibility for the development of the new housing.

All housing production projects must demonstrate a clear local need for additional housing, provide evidence of significant local demand for the additional units, and target the development of units of a quality and quantity that will meet local needs and demands. Project evaluation will reward those projects resulting in the greatest number of quality units at the lowest cost per unit.

Projects involving housing rehabilitation and/or housing production assistance may secure additional funding for additional needed project activities as described in **Project Enhancements** on page IV-64.

Community Facilities

Community facilities include water services, wastewater services, drainage improvements, and street improvements. VCDBG assistance under this option is generally targeted to projects involving water and wastewater improvements, particularly those involving new services to low- and moderate-income persons. Community Facility projects are eligible for up to $1,000,000 of VCDBG funding.

An applicant undertaking a water and sewer project is required to address the indoor plumbing needs of project area residents. Benefit to a particular household will not be accepted unless the unit currently has or will be provided with indoor plumbing facilities. Housing units receiving indoor plumbing facilities must also meet DHCD Housing Quality Standards. VCDBG funding may be used to improve these units to standard condition. VCDBG participation in indoor plumbing or related housing activities shall not exceed 15 percent of the total amount requested.

Applicants that include water and/or sewer service activities in the project design, regardless of the project type, must meet certain criteria. The services must be accessible to any LMI household residing on property adjacent to or near project activities, provided that the estimated cost of completing the physical connection to the housing unit is less than or equal to $2,500, water meters must are used, and that the average utility connection fee must not exceed $10,000.

Low- and moderate-income persons cannot be charged an access fee for facilities developed using CDBG funding. These fees are not CDBG-eligible expenses. The actual physical costs of connections will be eligible for VCDBG funding. To the extent feasible, public water service proposals must include a project design accommodating appropriate fire protection measures in the project area.

The reasonableness of user charges will be considered in evaluating any revenue-producing project, particularly water and sewer projects. DHCD may proportionally reduce grant requests from applicants where utility rates charged by an entity are below the state average.

If a project extends utility lines from one jurisdiction to another, utility rates must be the same throughout the CDBG project area unless it can be documented that the locality which owns or is served by the CDBG-supported utility line is subsidizing water rates with its general fund. In such cases, a disparity in rates may exist between the involved localities.

CDBG funds will not be invested in systems that can or will provide redundancy to a customer base that would be more efficiently served by another entity. Instead, it is expected that jurisdictions will cooperate to identify the best possible system and entity for providing service to a specified customer base.

Project needs in community facility projects will best be determined through surveys of project area residents and through gathering of documentation from regulatory and other agencies. The demand for services must be established through obtaining signed user agreements from the proposed beneficiaries or documenting a local mandatory hook-up policy and its history of enforcement. Before submitting a proposal, a locality should obtain user agreements from at least 90 percent of the proposed low- and moderate-income beneficiaries.

Project activities are established through the completion of a full Preliminary Engineering Report (PER). At least two copies of the PER must accompany each community facility proposal. If Virginia Department of Health (VDH) approval is required for a project's plans and specifications, the project PER must be submitted to VDH before submitting the proposal to DHCD.

In projects involving the provision of water, sewer, or other community facility services to privately-owned, multi-tenant properties as a contributing factor towards meeting the required LMI benefit, VCDBG assistance will be eligible for expenditure on those features of the project which provide substantial benefit to current LMI tenants. DHCD will safeguard the provision of benefits to current LMI tenants as follows:

VCDBG funding will be provided to match current LMI needs.
Property owners will be prohibited from creating additional tenant spaces that would dilute a project's LMI benefit. Assistance may be prorated to oversized service or distribution lines. Participation in pump stations, storage tanks, or other features will also depend on the level of LMI benefit in the project.

Savings produced by the VCDBG investment must translate to direct LMI benefit.
Generally, each LMI unit receiving services must be individually metered with billing being a responsibility of a local public agency. No private property owners may charge LMI tenants a connection fee or a surcharge on service usage.

Community Service Facilities

VCDBG assistance is available up to $700,000 for Community Service Facilities that are physical facilities providing important services to low- and moderate-income persons and the greater community. Such facilities include day care facilities, facilities for protected populations such as the elderly and disabled,

community centers, health clinics, libraries, schools, hospitals, and skill-building facilities for youth and the unemployed.

Community Service Facility proposals must demonstrate that facility development is a clear local community development priority. Applicants must describe other community development priorities and their positions relative to the proposed community service facility.

Applicants for Community Service Facility projects must clearly demonstrate the local need for the services to be provided. The most reliable information on these needs will result from surveys of potential users and existing service providers. Census information and other statistical information, although useful, provide less reliable justification for the need for a facility. The user surveys should, at a minimum, confirm potential user LMI status, and the need for and interest in the services proposed for the facility. To confirm the need for many types of services, surveys of individual potential users are a better indicator of need than surveys of households. Surveys of existing service providers will permit, at a minimum, the identification of gaps between service needs and service availability.

Applicants must also document the demand for services. For some types of services, strong preferences obtained through surveying may suffice. For other services, demand may best be represented by the actions of individuals, beyond survey participation, to receive a service, such as the completion of an application or other intake documentation.

Following the determination of need and demand, applicants must target the development of a facility to accommodate the new or expanded services. For facilities that will clearly provide needed services to low- and moderate-income persons, applicants may seek to maximize VCDBG participation in the development of the facility. For facilities that will provide a variety of services to LMI and non-LMI persons, VCDBG participation should be sought in proportion to the level of services being targeted primarily towards LMI persons.

The evaluation of Community Service Facility projects will also include an assessment of the directness of the benefits to be provided to LMI persons. This assessment will be guided by the following questions:

- ***Will the services be available exclusively to LMI persons or predominantly to LMI persons?***

- ***Will the services provide palpable, measurable changes in the lives of the participants?***

- ***Will the services have any impact on LMI persons becoming non-LMI persons?***

Proposal Evaluation Criteria
Requests for VCDBG Community Improvement Grant assistance greatly exceed the amount of available funding. Therefore, funding distribution is determined through the competitive evaluation of all proposals received on the basis of the following criteria:

Composite Fiscal Stress
The relative fiscal stress of the local governments submitting proposals is derived from the most recent Composite Fiscal Stress Index Scores table generated by the Virginia Commission on Local Government.

Regional Priorities
The proposal's relationship to the project priorities annually established by each Planning District Commission.

Project Needs and Outcomes
This item considers the needs the proposed project will address, evaluates the relationship of project activities to underlying needs, and assesses the likelihood these activities will both meet these needs and have a measurable long-term impact on the community.

Costs and Commitment
This item considers whether project costs are reasonable and supportable and the level of financial participation in project activities offered by local and other non-CDBG resources.

Meeting a National Objective
This item considers the extent to which a project will benefit low- and moderate-income persons or result in the elimination of slums and blighting conditions.

DHCD reserves the right to modify the evaluation criteria.

COMMUNITY DEVELOPMENT INNOVATION FUND GRANTS
The Community Development Innovation Fund provides resources totaling $2,000,000 for implementation of new, innovative, and/or timely community development projects. This Fund has three components: the Local Innovation Program, the Self-Help Virginia Program, and the Community Development Venture Capital Fund.

Local Innovation Program
VCDBG funding totaling $500,000 will be reserved for innovative, small-scale pilot projects that will include only CDBG-eligible activities, meet a CDBG national objective, and be designed in accordance with the CDBG Citizen

Participation Plan. Individual Development Account programs and projects supporting local or regional welfare-to-work initiatives are both options for Local Innovation funding.

Up to $100,000 is available per project. Proposals meeting minimum thresholds will be accepted on an open basis from January 1, 2003 through September 30, 2003. If Local Innovation funding remains unobligated as of September 30, 2003, this funding will be made available to those Self-Help Virginia projects, demand permitting, Planning Grants, demand permitting, committed to projects with Letters of Intent, or awarded to the next highest ranking 2003 Competitive Grant projects.

Self-Help Virginia

Self-Help Virginia provides funding in support of infrastructure projects, specifically water and sewer projects, wherein community residents and stakeholders substantially participate in the construction activities. VCDBG funding totaling $1,000,000 will be reserved for Self-Help projects in 2003. Funding will be available on an open basis between January 1, 2003 and September 30, 2003. VCDBG participation is limited to $10,000 per household served.

To be eligible for participation in Self-Help Virginia, projects must possess the following characteristics:

- There must be a neighborhood or community consensus about the existence of the problem to be addressed;
- There must be a demonstration of community capacity to manage the self-help project with sufficient energy and vision to see the project through to completion; and,
- There must be at least a 40 percent savings from the proposed Self-Help construction compared to conventional construction.

The goal of these projects is to tap neighborhood talent, manpower, and creativity and provide water and sewer services in areas where conventional construction costs are cost-prohibitive. The most common examples of specific self-help activities are neighborhood residents acting as project managers, installing water and sewer lines, and operating leased or donated equipment. Resident contributions depend on resident abilities. Construction must meet all applicable codes and regulations.

These projects are exempt from the Preliminary Engineering Report standards of other projects. These projects do require a cost estimate demonstrating the required 40 percent savings, a clear description of the proposed improvements, and a map of the service area with the proposed layout of lines and other improvements.

All proposals must include evidence that at least one well-attended community meeting has occurred and that the project is supported by the community, that at least 51 percent of the proposed beneficiaries are low- and moderate-income per survey results, and that residents are willing to work on the project and have some sense of the skills available in the community. Also required are signed user agreements that show residents' willingness to connect to water and/or sewer lines as part of the project.

Community Development Venture Capital Fund

A total of $500,000 is reserved for capital investments by DHCD-certified community development venture capital funds in eligible VCDBG localities. Community development venture capital funds make investments to gain financial return and to create wealth and job opportunities in communities with economic needs. Fund operators must demonstrate sufficient administrative capacity for making and managing critical long-term equity investments in private businesses in eligible localities. Operators must also demonstrate the availability of adequate financial resources to cover the administrative costs associated with fund management and to make strategic equity investments in other business opportunities for which VCDBG funding may not be targeted. Operators should further demonstrate that the sources of funding for these other equity investments were largely non-governmental.

VCDBG funding will be made available on a negotiated basis between January 1, 2003 and September 30, 2003. The terms of the VCDBG assistance will be addressed as part of these negotiations. Fund operators should contact DHCD directly to discuss the availability of VCDBG funding. VCDBG funding for community development venture fund program operation costs is available under the Entrepreneurship Development in the VCDBG Competitive Grant option, but is not eligible under this Community Development Venture Capital option.

Funding awards under the Community Development Venture Capital option will generally be limited to $100,000 per business equity investment. An eligible VCDBG locality must request this funding on behalf of a community development venture capital fund. Generally, this locality will be the one in which the business to receive the equity investment will be located.

The targeted business must commit to create jobs in order for the investment to be eligible for VCDBG funding. At least 51 percent of the jobs created must be made available to or held by low- and moderate-income persons.

After September 30, 2003, previously uncommitted funding may be committed to Self-Help projects, Planning Grant projects, projects with Letters of Intent, or awarded to the next highest-ranking Competitive Grant projects.

COMMUNITY ECONOMIC IMPROVEMENT FUND GRANTS

The Community Economic Development Fund (CED) is designed to support economic development activities, particularly those creating employment opportunities for low- and moderate-income persons, in VCDBG-eligible localities. In 2003, $4,000,000 is available under the CED Fund. Up to $700,000 will be available per project. **Projects assisting businesses which cannot commit to providing a post-probationary wage of at least 1.5 times the minimum wage to 90 % of all employees hired as a result of the CDBG investment may be eligible for VCDBG funding limited to 50 percent of project costs up to $350,000**. Proposals will be received on an open basis from January 1, 2003 through September 30, 2003. Assistance is limited to projects involving employment creation by private, for-profit basic industries. Assistance may include off-site improvements such as water lines, sewer lines, roads, and drainage. On-site assistance may be eligible in some projects, but these projects are subject to underwriting and the VCDBG assistance will be made available as a loan to the locality. This loan must be repaid.

Categories and Thresholds

The nature of the financial assistance available under the CEI Fund varies depending on the economic strength of the applicant localities. VCDBG-eligible localities, excluding Towns, are placed in one of three categories: Distressed, Transitional, and Competitive. Towns that are fully contained within a county are in the same category as the surrounding county. Towns divided among two or more counties are in the same category as the county with the least economic strength. Localities were placed in a category based on the relative position of local statistics to statewide statistics for each of three economic factors. The factor titles, sources of factor data, and delineations within each factor are as follows:

Persons in Poverty

(County Estimates for People of All Ages in Poverty for Virginia: 1999; U.S. Census Bureau)

Distressed: 150% or greater than statewide figure (or 14.40% or higher)
Transitional: Greater than or equal to statewide figure of 9.6%
Competitive: Less than statewide figure of 9.6%

Median Adjusted Gross Income per Married Return

(Married Returns, 1999; Virginia Department of Taxation)

Distressed: 70% or less of statewide figure (or $37,622 or less)
Transitional: Less than or equal to statewide figure of $53,745
Competitive: Greater than statewide figure of $53,745

Annualized Average Unemployment Rates

(Annualized Average Unemployment Rates for Virginia Localities, 2001; Virginia Employment Commission)

Distressed: 150% or greater than statewide figure (or 5.25% or higher)
Transitional: Greater than or equal to statewide figure of 3.5%
Competitive: Less than statewide figure of 3.5%

Localities received two points for each factor in which they met Distressed levels, one point for each factor at Transitional levels, and no points for each factor at Competitive levels. Localities with 5 or more points are Distressed. Localities with 2 to 4 points are Transitional. Localities with 1 point or less are Competitive.

Distressed
For FY 2003, the Distressed localities with scores of 5 or more points from the evaluation of economic factors, include.

Localities

Accomack County
Brunswick County
Buchanan County
Carroll County
Charlotte County
Dickenson County
Grayson County
Halifax County
Henry County
Lee County
Lunenburg County
Mecklenburg County
Northampton County
Northumberland County
Nottoway County
Patrick County
Prince Edward County
Russell County
Scott County
Smyth County
Tazewell County
Washington County
Westmoreland County
Wise County
Wythe County
City of Covington
City of Galax
City of Martinsville
City of Norton
City of Radford
City of Williamsburg

Thresholds
The thresholds for VCDBG assistance in Distressed localities are as follows:

- The subject business must create at least 10 full-time positions
- The subject business must make a private investment of at least $100,000
- The subject business must provide a post-probationary wage of at least 1.5 times the minimum wage for all employees and offer an employment benefits package including medical insurance to all employees

Assistance for Local Economic Diversification
If the assisted business is involved in the value-added manufacturing or re-manufacturing and reuse of indigenous raw materials, the provision of goods or services not previously available locally, and/or the provision of goods or services that are divergent from the local norm, the following conditions apply:

VCDBG assistance for off-site improvements is eligible for up to 100 percent of total project costs.

No local government financial participation is required in the project.

VCDBG loans for on-site improvements are available through a relaxed underwriting process and flexible terms.

VCDBG assistance is available at up to $25,000 per job to be created.

Assistance for Other Businesses

If the assisted business will not be diversifying the local economy, the following conditions apply:

VCDBG assistance for off-site improvements is eligible for no more than 80 percent of the total project costs.

Local financial participation must total at least 20 percent of the VCDBG eligible costs.

VCDBG loans for on-site improvements are available through a relaxed underwriting process.

VCDBG assistance is available at up to $10,000 per job to be created.

Transitional
Transitional localities are those with scores of 2 to 4 points from the evaluation of economic factors.

Localities

Alleghany County
Amherst County
Appomattox County
Bath County
Bedford County
Bland County
Buckingham County
Campbell County
Charles City County
Craig County
Cumberland County
Essex County
Floyd County
Franklin County
Giles County
Greensville County
Highland County
King and Queen County
King William County
Lancaster County
Louisa County
Madison County
Middlesex County
Montgomery County
Nelson County
Page County
Pittsylvania County
Pulaski County
Richmond County
Rockbridge County
Southampton County
Surry County
Sussex County
City of Bedford
City of Buena Vista
City of Emporia
City of Franklin
City of Harrisonburg
City of Lexington
City of Staunton
City of Waynesboro
City of Winchester

Thresholds
The thresholds for VCDBG assistance in Transitional localities are as follows:

- The subject business must create at least 20 full-time positions
- The subject business must make a private investment of at least $300,000
- The subject business must provide a post-probationary wage of at least 1.5 times the minimum wage for all employees and offer an employment benefits package including medical insurance to all employees

Assistance Parameters
For all businesses, the following conditions apply:

VCDBG assistance for off-site improvements is eligible for no more than 80 percent of the total project costs.

Local financial participation must total at least 20 percent of the VCDBG eligible costs.

VCDBG assistance is available at up to $10,000 per job to be created.

If the assisted business meets the criteria cited under the **Distressed** section regarding diversification of the local economy, VCDBG loans for on-site improvements are available through a relaxed underwriting process.

If the assisted business does not meet these criteria, VCDBG loans for on-site improvements are available through a market underwriting process.

Competitive
Competitive localities are those with scores of 1 or fewer points from the evaluation of economic factors.

Localities

Albemarle County
Amelia County
Augusta County
Botetourt County
Clarke County
Culpeper County
Dinwiddie County
Fauquier County
Fluvanna County
Frederick County
Gloucester County
Goochland County
Greene County
Hanover County
Isle of Wight County
James City County
King George County
Loudoun County
Mathews County
New Kent County
Powhatan County
Prince George County
Rappahannock County
Roanoke County
Rockingham County
Shenandoah County
Spotsylvania County
Stafford County
Warren County
York County
City of Poquoson
City of Salem

Thresholds
The thresholds for VCDBG assistance in Competitive localities are as follows:

- The subject business must create at least 50 full-time positions
- The subject business must make a private investment of at least $3,000,000
- The subject business must provide a post-probationary wage of at least 1.5 times the minimum wage for all employees and offer an employment benefits package including medical insurance to all employees

Assistance Parameters

For all businesses, the following conditions apply:

VCDBG assistance for off-site improvements is eligible for no more than 50 percent of the total project costs.

Local financial participation must total at least 50 percent of the VCDBG eligible costs.

Non-local public funding investment must be no more $10,000 per job to be created. Loans to local governments from other public sources with specific repayment requirements are regarded as local funds.

No VCDBG assistance is available for on-site improvements.

Industry Commitment

All CED proposals must include an industry commitment letter. Such a letter serves as documentation of the industrial commitment that provides the basis for project eligibility. A commitment letter must include the following:

- The need for the improvements which the locality will implement using VCDBG funding;
- The commitment of the business to locating or expanding in the locality;
- The type and amount of the private investments;
- The number of jobs (LMI and total) of jobs to be created or retained by category;
- The timing of the investments and hiring;
- A summary of the wages and benefits to be provided;
- The plans for job training, if applicable; and,
- The plans for use of a single point of contact for screening applicants, if applicable, such as the Virginia Employment Commission;
- The comprehension and acceptance that a formal agreement must be signed to secure the commitments.
- For Community Economic Improvement Fund projects, these industry commitments must provide details on the accompanying benefits package.

Where appropriate, the industry should attach documentation to its letter supporting the figures detailed in the letter.

Appropriate Determination

On-site improvements are subject to underwriting because VCDBG funds, which are public funds, must not be used to replace any form of financing that either could be or already has been secured at terms and conditions that make the project feasible. The underwriting is to determine if the use of VCDBG funds in a project is appropriate for the anticipated level of public benefits and includes a financial analysis of the business. An Appropriate Determination package is

available from DHCD that outlines the type of information required from the business to complete underwriting. Applicants must prepare a response to this package and submit it to DHCD approximately one month before completion of a CEI proposal.

VCDBG Investment
VCDBG funding will only pay for improvements of a scope and scale consistent with identified needs. Improvements benefiting future development are not eligible for VCDBG funding.

Sanctions
The Industry Agreement which will be executed between an assisted business and a locality will detail sanctions which will be imposed if the assisted business fails to achieve hiring, investment, or wage/benefit commitments. Failure to achieve hiring and investment commitments may result in all VCDBG funding being recaptured by DHCD from the locality. Failure to achieve wage/benefit commitments may result in VCDBG participation being limited to 50 percent of project costs up to $350,000.

LMI Benefit
VCDBG eligibility in economic development projects is established by creating job opportunities for low- and moderate-income persons. There are two options for ensuring LMI benefit results from the job creation process. The first is to employ LMI persons in at least 51 percent of the available positions. Under this option, the locality or assisted business will retain documentation of the income status of employees. The second option is to establish procedures ensuring that LMI persons will receive first consideration for employment. Under this option, the job qualifications must be limited to possession of a high school diploma or its equivalent. No special training should be required. A third party single point of contact for application screening, such as the Virginia Employment Commission, is typically utilized. This contact will maintain all LMI documentation. The employer must hire only those persons screened by this third party.

Job creation must occur within three years of the completion of VCDBG-funded improvements. The job creation requirement will be incorporated into a formal agreement. A business failing to meet the job requirements will be subject to a non-performance penalty as outlined in this agreement.

Piracy
VCDBG assistance will not assist a Virginia firm to relocate from one locality to another locality unless the firm provides substantial evidence that it cannot continue to do business in the existing location due to inadequate facilities, that it is significantly expanding beyond the capabilities of the existing location, that the move to another location results in a net gain of permanent jobs for Virginia, and that the impacted local governments are aware of the need for relocation. VCDBG assistance will not assist a non-Virginia firm in relocating to Virginia if the

relocation is likely to result in a significant loss of employment in the labor market from which the relocation occurs.

Ineligible Activities
The following activities are not eligible for VCDBG assistance:
- General promotion of the community as a whole;
- Assistance to professional sports teams;
- Assistance to privately-owned recreational facilities that serve a predominantly higher income clientele where the benefit to such clientele clearly outweighs employment or other benefits to low- and moderate-income persons;
- Acquisition of land for which no specific purpose has yet been identified;
- Additional assistance to a for-profit business while the business is the subject of unresolved findings of non-compliance from previous CDBG assistance;
- Assistance to facilitate the creation of gambling operations; and,
- Projects in which the cost to provide goods and services to LMI persons exceeds $1,000 per LMI person.

On-Site Assistance
VCDBG funding is available for certain on-site improvements in support of a business creating jobs and completing private investment in an eligible locality. A locality seeking VCDBG funding for on-site assistance must coordinate the completion of an Appropriate Determination package. To complete this package, a locality must obtain detailed information on the background, financial position, and local development plans of the business to be assisted. This package is submitted by DHCD to independent underwriters for review.

VCDBG on-site assistance is offered to localities in the form of a loan. The independent underwriters establish the loan terms. A locality receiving VCDBG funding for on-site improvements must repay DHCD in accordance with the established terms. There are no circumstances under which DHCD will waive this repayment. The locality is responsible, in turn, to make the VCDBG assistance available as a loan to the assisted business and to make arrangements with the assisted business to make regular payments.

VCDBG funding cannot be used to develop infrastructure in a privately owned industrial park.

Loan Guarantees
Localities interested in loan guarantees in support of economic development should contact DHCD for additional information.

URGENT NEED OPEN SUBMISSION GRANTS
VCDBG funding is available to eligible localities on an open submission basis to enable prompt response to existing serious and immediate threats to local health and safety. Up to $700,000 of VCDBG funding is available per project. Urgent

Need Open Submission (UNOS) proposals will be accepted between January 1, 2003 and October 31, 2003.

All UNOS proposals and activities must meet the following thresholds:

- The proposed project must alleviate existing conditions which pose a serious and immediate threat to the health and welfare of the community; and,

- The conditions developed or became urgent within 18 months of the date the proposal is submitted; and,

- The applicant locality is unable to finance the project on its own, no other funding is available to address the problem, and the VCDBG funding will be directly targeted towards alleviation of the threatening conditions; and,

- The threat must be supported by either:

  A current declaration by the Governor of Virginia of an emergency relating to a flood, a hurricane, a tornado, an earthquake, or other disaster event, not including droughts, snow, or ice conditions,

  OR

  A current declaration by the State Commissioner of Health of an immediate and severe health threat relating to the complete failure of a public water or sewer system or an incident of similar significance.

VCDBG assistance will generally not be made available to projects consisting only of activities in support of long-term recovery. VCDBG assistance will generally not be available to projects with public facility failures resulting from neglected maintenance by a locality.

Localities interested in UNOS assistance should contact DHCD to discuss project eligibility.

H. PROGRAM MONITORING

The Department provides compliance monitoring through the Divisions responsible for administration of each program covered by the current Action Plan. The Consolidated Plan provides a general description of the monitoring tools and systems available during the life of the Plan. Although the Department may experience personnel and organization changes following adoption of the Plan, the basic compliance monitoring methods and procedures that will be used during the coming program year will continue to be followed.

CDBG

The Project Management Office of the Community Development Division will continue to carry out the primary monitoring and compliance assurance activities for CDBG. It relies on several management tools, technical assistance, reporting, and compliance reviews to assure that the program's regulatory requirements will be met.

The Community Improvement Grant Management Manual gives grantees the necessary procedures, verbatim texts of required documents, and examples illustrating proper implementing actions. DHCD will continue to provide many training workshops across the Commonwealth to supplement the Manual. By increasing grantees' knowledge and skills of project management, construction management, labor standards, fair housing, financial management, and housing rehabilitation, the Department expects to reduce errors and increase the prospects for the successful completion of projects. Various personnel within the Office have designated roles relating to compliance. The broadest responsibilities lie with the Associate Director and the Program Managers. Community representatives serve as first line contacts with grantees—providing direct technical assistance as needed and also project monitoring. Finally, the financial analyst assigned to the program assures fund accountability while providing technical assistance for financial management, audit control, and management.

DHCD uses Site visits and in-house consultations as the primary means to provide technical assistance. Site visits emphasizing informal assistance and guidance continue throughout the life of the project. Their timing and frequency generally reflect the progress and specific needs of the individual project. Grantees may receive additional assistance from staff in the Richmond and Abingdon offices at any time, though questions or concerns about an individual grant are normally referred initially to the community representative.

The Department uses progress reports and project close out reports to document the progress and completion of individual projects. Periodic status reports and annual budget reports for each project insure that DHCD and the grantee are fully aware of their current fiscal and programmatic status. Close out

reports, which include separate elements for finance, program income, project leveraging, construction, and final evaluations, document project closure.

Project compliance reviews typically occur when a project is approximately 85 percent drawn down. The agency's financial analyst conducts the initial financial compliance review. The financial compliance review resembles an audit in the scope of its coverage. Compliance reviews are formal as opposed to informal events and encompass the full range of requirements (e.g., citizen participation, environmental compliance, financial management, et al.) for which grantees may be responsible according to program requirements.

DHCD will document nonconformities, if any, in specific program areas, note concerns about areas that could lead to a finding of nonconformity if left uncorrected, and provide recommendations about areas where program management could be improved. The agency's goal is to minimize findings of nonconformity during the year by relying on the other compliance methods discussed above to identify and correct problems before a finding is necessary.

Housing Programs (ESG, HOME, HOPWA)

The Division of Housing will continue to administer the HOME, HOPWA, and ESG programs for this fiscal year. Similar techniques will be applied to performance monitoring and compliance review for each program. Overall, the Division employs ongoing program and project reviews and technical assistance to assure both the effectiveness and compliance of its housing programs. The Division has also increased the use of risk assessments to identify those program areas or projects where problems are most likely to be encountered. If necessary, available monitoring and compliance resources can be concentrated on projects or programs that exhibit greater potential for falling out of compliance. Because some multifamily rental and first- time homeowner programs require compliance over an extended period, DHCD has entered into formal arrangements with the Virginia Housing Development Authority (VHDA), the manager for loans in these program areas, to assure that they monitor longer term compliance.

Project review is usually conducted on a day-to-day basis through communications with project sponsors and subrecipients. This establishes the primary means for providing the technical assistance necessary to assure compliance. Monitoring visits will be conducted for the three programs being administered by the Division of Housing. The specific areas subject to review during a visit include administrative requirements relating to budgeting, the management plan, reporting, record keeping, etc., and programmatic requirements relating to the actual management of the project. The latter includes a review of contract documents, management responsibilities/structure of the responsible agent, and the records or reports for housing standards,

environmental standards, construction reports, certificates of occupancy, and project close out documentation.

The responsible administrator for the Division will contact the sponsor, subrecipient, or grantee before the visit to establish the time, place, and circumstance of the visit. During the review, the administrator may provide assistance or advice relating to administrative or programmatic requirements. An exit interview will provide the local sponsor or grantee with a preliminary assessment.

More detailed information will be provided in a subsequent written communication. The letter may document *concerns* or *findings*. For concerns, the administrator will include recommendations for overcoming the particular circumstances. However, if there is a finding, the administrator will provide required corrective actions, following up through either a review of documentation or a site visit.

These site visits create opportunities to extend the Division's training activities to the sites of specific projects, while also assuring the overall integrity of the program through compliance review.

Strategic Planning

DHCD's ongoing strategic planning activities also provide a means for assuring that Department remains focused on the priorities identified in the Consolidated Plan as it develops it annual budget and legislative packages. The Department is currently completing a new round of strategic planning, which is intended to provide that all the Department's priorities—including those identified in the Consolidated Plan--are addressed and that opportunities for collaboration across organizational lines are identified. Work plans for the individual offices within DHCD's operating divisions provide the basis for carrying out activities essential to meeting these goals and objectives.

Appendix A: Definitions

GENERAL DEFINITIONS

Accessible and Adaptable Unit

All buildings that are “accessible” are suitable for all wheelchair users. The key difference between “accessible” and “adaptable” is that the former includes a turnaround area of at least five feet in both the kitchen and bathroom to allow full wheelchair maneuverability.

- An “adaptable” unit must have a building entrance without steps; wide doorways throughout the unit; and the option to lower kitchen counters and install handrails.
- An “accessible” unit must meet the adaptability criteria; have a bathroom equipped with grab bars; and include a five-foot turnaround space in the kitchen and a bathroom as some wheelchair users cannot maneuver in less than that space.

Affordable Housing

Affordable housing is generally defined as housing where the occupant is paying no more than 30 percent of gross income for gross housing costs, including utilities.

AIDS and Related Diseases

The disease of acquired immunodeficiency syndrome or any condition arising from the etiologic agent for acquired immunodeficiency syndrome.

Alcohol/Other Drug Addition

A serious and persistent alcohol or other drug addition that significantly limits a person’s ability to live independently.

Assisted Household or Person

For the purpose of identification of goals, an assisted household or person is one which during the period covered by the plan will receive benefits through Federal funds, either alone or in conjunction with investment of other public or private funds. The program funds providing the benefit may be from any funding year or combination funding years. A renter is benefited if the person takes occupancy of affordable housing that is newly acquired, newly rehabilitated, or newly constructed, and/or receives rental assistance through new budget authority. An existing homeowner is benefited during the year if the home’s rehabilitation is completed. A first-time homebuyer is benefited if a home is purchased during the year. A homeless person is benefited during the year if the person becomes an occupant of transitional or permanent housing or receives services. A non-homeless person with special needs is considered as being benefited, only if the provision of supportive services is linked to the acquisition, rehabilitation, or new construction of a housing unit and/or the provision of rental assistance during the year. To be included in the goals, a housing unit must, at a minimum, satisfy the HUD Section 8 Housing Quality Standards (see 2~4 CFR Section 882.109).

At Risk
People whose living conditions/arrangements, or economic circumstances are such that they are in imminent danger of becoming homeless.

Barrier-Free Housing
Housing units/facilities that are accessible and functional for ingress, egress and internal movement for persons in wheelchairs and/or persons with mobility impairments.

CDBG (Community Development Block Grant)
The program was authorized under title I of the Housing and Community Development Act of 1974. The primary objective is the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

Committed
Generally means there has been a legally binding commitment of funds to a specific project to undertake specific activities.

Congregate Housing
Building or facility with a central food preparation and eating area which houses persons who share a need for supervised living environment including elderly and disabled persons, but do not require medical treatment or institutional care.

Cost Burden > 30%
The extent to which gross housing cost, including utility costs, exceed 30 percent of gross income, based on data published by the U.S. Census Bureau.

Cost Burden > 50% (Severe Cost Burden)
The extent to which gross housing costs, including utility costs, exceed 50 percent of gross income, based on data published by the U.S. Census Bureau.

Developmentally Disabled
A severe, chronic disability of a person 5 years of age or older which is manifested before the person attains age 22, is likely to continue indefinitely, and is attributed to a mental or physical impairment or combination resulting in substantial functional limitations in three or more of the following areas of major life activity: (1) self-care, (2) receptive and expressive language, (3) learning, (4) mobility, (5) self-direction, (6) capacity for independent living, and (7) economic self sufficiency.

Disabled Household
A household composed of one or more persons at least one of whom is an adult (a person of at least 18 years of age) who has a disability. A person shall be considered to have a disability if the person is determined to have a physical, mental or emotional impairment that: (1) is expected to be of long-continued and indefinite duration, (2) substantially impeded his or her ability to live independently, and (3) is of such a nature that the ability could be improved by more suitable housing conditions. A person shall also be considered to have a disability if he or she has a developmental disability as defined in the Developmental Disabilities Assistance Bill of Rights Act (42 U.S.C. 6001-6006). The term also includes the surviving member or members of any household described in the first sentence who were living in an assisted unit with the deceased member of the household at the time of his or her death.

Economic Independence and Self-Sufficiency Program
Programs undertaken to promote economic independence and self-sufficiency for homeless and rental assistance participants. Such programs include Project Self Sufficiency and Operation Bootstrap programs that originated under earlier Section 8 rental certificate and rental voucher initiatives, as well as the Family Self-Sufficiency program. Many homeless providers also operate special programs designed to promote economic independence and self-sufficiency.

Elderly Household
For HUD rental programs, a one or two person household in which the head of the household or spouse is at least 62 years of age.

Elderly Person
A person who is least 62 years of age.

Existing Homeowner
An owner-occupant of residential property who hold legal title to the property and who uses the property as his/her principal residence.

Extremely Low-Income
Households whose incomes do not exceed 30 percent of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low incomes or where needed because of prevailing levels of construction costs or fair market rents.

Family
See definition in 24 CFR 812.2 (The National Affordable Housing Act definition required to be used in the Consolidated Plan rule differs from the Census definition). The Bureaus of Census defines a family as a householder (head of household) and one or more other persons living in the same household who are related by birth, marriage or adoption. The term “household” is used in combination with the term “related” in the Consolidated Plan instructions when compatibility with the Census definition of family is dictated.

Family Self-Sufficiency (FSS) Program
A program enacted by Section 544 of the National Affordable Housing Act which directs Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to use Section 8 assistance under the rental certificate and rental voucher programs, together with public and private resources to provide supportive services, to enable participating families to achieve economic independence and self-sufficiency.

First-Time Homebuyer
An individual or family who has not owned a home during the three-year period preceding the HUD assisted purchase of a home that must be used as the principal residence of the homebuyer.

FmHA
The Farmers Home Administration (Rural Development), or programs it administers.

For Rent
Year round housing units that are vacant and offered/available for rent. (U.S. Census definition)

For Sale
Year round housing units that are vacant and offered/available for sale only. (U.S.
Census definition)

Frail Elderly
An elderly person who is unable to perform at least 3 activities of daily living (i.e., eating, bathing, grooming, and household management activities).

Group Quarters
Facilities providing living quarters that are not classified as housing units. (U.S. Census definition) Examples include: prisons, nursing homes, dormitories, military barracks, and shelters.

Group Homes
Residential facilities that provide on-site staffing services; typically serves 3-8 persons.

HOME
The HOME Investment Partnership Program, which is authorized by Title II of the National Affordable Housing Act.

Homeless Family
Family that includes at least on parent or guardian and one child under the age of 18, a homeless pregnant woman, or a homeless person in the process of securing legal custody of a person under the age of 18.

Homeless Individual
An unaccompanied youth (17 years or younger) or an adult (18 years or older) without children.

Homeless Youth
Unaccompanied person 17 years of age or younger who is living in situations described by terms “sheltered” or “unsheltered”.

HOPE 1
The HOPE for Public and Indian Housing Homeownership Program, which is authorized by Title IV, Subtitle A of the National Affordable Housing Act.

HOPE 2
The HOPE for Homeownership of Multifamily Units Program, which is authorized by Title
IV, Subtitle B of the National Affordable Housing Act.

HOPE 3
The HOPE for Homeownership of Single Family Homes Program, which is authorized by
Title IV, Subtitle C of the National Affordable Housing Act.

Household
One or more persons occupying a housing units (U.S. Census definition).

Housing Problem
Households with housing problems include those that: (1) occupy units meeting the definition of Physical Defects; (2) meet the definition of overcrowded; and (3) meet the definition of cost burden greater than 30%.

Institutions/Institutional
Group quarters for person under care or custody. (U.S. Census definition)

Large Related
A household of 5 or more persons which includes at least one person related to the householder by blood, marriage or adoption.

Lead-Based Paint Hazard
Any condition that causes exposure to lead from lead contaminated dust, lead contaminated soil, lead contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects as established by the appropriate Federal agency.

LIHTC
(Federal) Low Income Housing Tax Credits.

Low-Income
Households whose incomes do not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction cost or fair market rents, or unusually high or low family incomes. NOTE: HUD income limits are updated annually and are available from local HUD offices. (This definition corresponds to low- and moderate-income (LMI) households in the CDBG program.)

Moderate Income
Households whose incomes are between 81 percent and 95 percent of median income for the area, as determined by HUD, with adjustments for smaller or larger families except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction cost or fair market rents, or unusually high or low family incomes. (This definition corresponds to middle-income for the CDBG program.)

National Objectives for CDBG

- Provide benefit to extremely-low and moderate-income persons,
- Aid in the prevention or elimination of slums and blight, or
- Address an urgent community need that developed or became critical within the 18 months period immediately preceding the CDBG application deadline and there are no other funds available to address the problem.

Non-Elderly Household
A household which does not meet the definition of "Elderly Household", as defined above.

Non-Homeless Person with Special Needs
Includes those that are elderly, frail elderly, have severe mental illness, are developmentally disabled, physically disabled, alcohol or other drug additions or are persons with HIV/AIDS.

Non-Institutional
Group quarters for persons not under care or custody. (U.S. Census definition)

Occupied Housing Unit
A housing unit that is the usual place or residence of the occupant(s).

Other Household
A household of one or more persons that does not meet the definition of a Small Relate
Household, Large Related Household or Elderly Household.

Other Income
Households whose incomes exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families.

Other Low-Income
Households whose incomes are between 51 percent and 80 percent of median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents or unusually high or low family incomes. (This term corresponds to moderate-income in the CDBG Program.)

Other Vacant
Vacant year round housing units that are not For Rent or For Sale. This category would include Awaiting Occupancy or Held.

Overcrowded
A housing unit containing more than one person per room. (U.S. Census definition)

Owner
A household that owns the housing unit it occupies. (U.S. Census definition)

Physical Defects
A housing unit lacking complete kitchen or bathroom (U.S. Census definition). Jurisdictions may expand upon the Census definition.

Project-Based (Rental) Assistance
Rental Assistance provided for a project, not for a specific tenant. Tenants receiving project-based rental assistance give up the right to that assistance upon moving from the project.

Rent Burden > 30% (Cost Burden)
The extent to which gross rents, including utility costs, exceed 30 percent of gross income, based on data published by the U.S. Census Bureau.

Rent Burden > 50% (Severe Cost Burden)
The extent to which gross rents, including utility costs, exceed 50 percent of gross income, based on data published by the U.S. Census Bureau.

Rental Assistance
Rental assistance payments provided as either project-based rental assistance or tenant-based rental assistance.

Renter
A household that rents the housing unit it occupies, including both units rented for case and units occupied without cash payment of rent. (U.S. Census definition)

Renter Occupied Unit
Any occupied housing unit that is not owner occupied, including units rented for cash and those occupied without payment of cash rent.

Section 215
Section 215 of Title II of the National Affordable Housing Act, Section 215 defines "affordable" housing projects under the HOME program.

Service Needs
The particular services identified for homeless and special needs populations, which typically may include transportation, personal care, counseling, case management, etc.

Severe Cost Burden
See Cost Burden > 50%

Severe Mental Illness
A serious and persistent mental or emotional impairment significantly limiting a person's ability to live independently.

Sheltered
Families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter, including emergency shelters, transitional housing for the homeless, domestic violence shelter, residential shelters for runaway and homeless youth, and any hotel/motel/apartment voucher arrangement paid because the person is homeless. This term does not include persons living doubled up or in overcrowded or substandard conventional housing. Any facility offering permanent housing is not a shelter, nor are its residents homeless.

SLIHTC
(State) Low Income Housing Tax Credits.

Small Related
A household of 2 to 4 persons, which includes at least one person, related to the householder by birth, marriage or adoption.

Substandard Condition and not Suitable for Rehab
By local definition, dwelling units that are in such poor condition as to be neither structurally nor financially feasible for rehabilitation.

Substandard Condition but Suitable for Rehab
By local definition, dwelling units that do not meet the standard conditions but are both financially and structurally feasible for rehabilitation.

Substantial Amendment
A change in priority needs or changes in the environment necessitating a change in need, and resultant distribution of funds. An amendment to the Consolidated Plan would take place whenever the County decides not to carry out an activity as described in the Plan, to carry out an activity not previously described, or to substantially change the purpose scope, location or beneficiaries of an activity.

Substantial Rehabilitation
Rehabilitation of residential property at an average cost for the project in excess of
$25,000 per dwelling unit.

Supervised Apartments
These are semi-independent living with varying levels or no on-site staffing. The apartments typically serve 1-4 persons.

Supportive Housing
Housing, including Housing Units and Group Quarters, that have a supportive environment and includes a planned service component.

Supportive Independent Living
Individuals live independently having their name on the lease. The units have varying levels of on going staff support and case management services.

Supportive Services
Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, childcare, transportation and job training.

Tenant-Based (Rental) Assistance
A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

Total Vacant Housing Units
Unoccupied year round housing units. (U.S. Census definition)

Transitional Housing
Living units (housing) provided on a short-term basis (up to 18 months or 24 months) for homeless persons/families, along with supportive services, which assist them in preparing for and securing permanent housing.

Unsheltered
Families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., streets, parks, and alleys).

Vacant Awaiting Occupancy or Held
Vacant year round housing units that have been rented or sold and are currently awaiting occupancy, and vacant year round housing units that are held by owners or renters for special occasional use. (U.S. Census definition)

Vacant Housing Unit
Unoccupied year round housing units that are available or intended for occupancy at any time during the year.

Very Low-Income
Households whose incomes do not exceed 50 percent of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low incomes or where needed because of prevailing levels of construction costs or fair market rents. (This term corresponds to low-income households in the CDBG Program.)

Year Round Housing Units
Occupied and vacant housing units intended for year round use. (U.S. Census definition. Housing units for seasonal or migratory use are excluded.

Appendix B: HUD Priority Needs Tables

Consolidated Plan Table 1A
Homeless and Special Needs Population

		Estimated Need	Current Inventory	Unmet Need / Gap	Relative Priority
Individuals					
Beds/Units	Emergency Shelter	2239	1330	909	M
	Transitional Housing	1493	1026	467	M
	Permanent Housing	2322	1177	1145	H
	Total	6054	3533	2521	
Estimated Supportive Services Slots	Job Training	4450	1673	2777	H
	Case Management	7585	4346	3239	H
	Substance Abuse Treatment	7540	3136	4404	M
	Mental Health Care	6185	4617	1568	L
	Housing Placement	5921	2967	2954	H
	Life Skills Training	6999	3174	3825	M
	Other	4928	2771	2157	
Estimated Sub-populations	Chronic Substance Abusers	2834	888	1946	L
	Seriously Mentally Ill	2272	776	1451	H
	Dually – Diagnosed	1716	614	1102	M
	Veterans	1180	452	728	L
	Persons with HIV/AIDS	636	113	523	H
	Victims of Domestic Violence	2013	947	1066	M
	Youth	680	161	419	L
	Other	1415	834	675	
Persons in Families with Children					
Beds/Units	Emergency Shelter	1705	961	644	M
	Transitional Housing	2273	1722	551	M
	Permanent Housing	2236	934	1392	H
	Total	6214	3617	2587	
Estimated Supportive Services Slots	Job Training	4289	1686	2603	H
	Case Management	8126	280	7846	H
	Substance Abuse Treatment	7540	3136	4404	M
	Mental Health Care	3483	1208	2275	M
	Housing Placement	6032	2021	4011	L
	Life Skills Training	6556	2027	4529	H
	Other	6250	2106	4144	
Estimated Sub-populations	Chronic Substance Abusers	841	229	612	L
	Seriously Mentally Ill	1276	675	601	M
	Dually - Diagnosed	646	287	359	M
	Veterans	397	185	212	M
	Persons with HIV/AIDS	244	78	166	M
	Victims of Domestic Violence	2116	683	1433	H
	Youth	0	0	0	
	Other	334	168	166	

Table 1B: Special Needs of the Non-Homeless				
Special Needs Sub-Populations	**Priority Need Level** **H**igh, **M**edium, **L**ow, **N**o Such Need	**Unmet Need**	**Dollars to Address Unmet Need**	**Goals**
Elderly	H	48,500	$485,000,000	
Frail Elderly	M	1,850	$46,005,000	
Severe Mental Illness	M	7,040	$176,000,000	
Developmentally Disabled	M	500	$12,500,000	
Physically Disabled	M	12,500	$125,000,000	
Persons w/ Alcohol/Other Drug Addictions	L	5,105	$127,625,000	
Persons w/ HIV/AIDS	H	1,580	$39,500,000	
Other (Specify)			0	
Total		77,075	$1,011,630,000	

Table 1C
Summary of Specific Homeless/Special Needs Objectives
(Table 1A/1B Continuation Sheet)

Obj #	Specific Objectives	Performance Measure	Expected Units	Actual Units
	Homeless Objectives			
1	To provide funds for operations and staff costs for operating (not to exceed 10 percent of the award) emergency shelter and transitional housing facilities to at least 70 recipients, providing a minimum of 2,300 beds for the homeless.	# of recipients and beds	2,300 beds	
2	To assist non-metropolitan areas in improving services to at-risk and homeless individuals	# of households remaining in or obtaining permanent shelter	50 household s	
3	To provide a portion of the required match for projects involving acquisition, rehabilitation or new construction funding through the Supportive Housing program.	# of units created	12 units	
4	To provide additional units of transitional housing in non-entitlement jurisdictions.	# of units created	10 units	
	Special Needs Objectives			
5	To provide assistance for the costs of housing and supportive services to prevent homelessness for persons with HIV/AIDS	# of households remaining in permanent housing	400m persons	

TABLE 2A
Priority Needs Summary Table

PRIORITY HOUSING NEEDS (households)			Priority Need Level High, Medium, Low	Unmet Need	Goals
Renter	Small Related	0-30%	H	45,890	50
		31-50%	M	41,600	50
		51-80%	M	32,960	0
	Large Related	0-30%	H	11,750	20
		31-50%	M	10,670	20
		51-80%	M	10,210	0
	Elderly	0-30%	H	30,280	25
		31-50%	M	17,050	25
		51-80%	M	9,930	0
	All Other	0-30%	H	34,110	0
		31-50%	M	31,540	10
		51-80%	M	29,105	0
Owner		0-30%	H	79,265	100
		31-50%	M	54,614	300
		51-80%	M	71,085	0
Special Needs					0
Total Goals					600
Total 215 Goals					3000
Total 215 Renter Goals					2000
Total 215 Owner Goals					1000

TABLE 2B
COMMUNITY DEVELOPMENT NEEDS

PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level High, Medium, Low, No Such Need	Estimated Priority Units	Estimated Dollars to Address
PUBLIC FACILITY NEEDS			
Neighborhood Facilities	High	56	$40,218,195
Parks and/or Recreation Facilities	Medium	115	$175,534,188
Health Facilities	High	32	$21,485,081
Parking Facilities	Low	1	$1,070,000
Solid Waste Disposal Improvements	Medium	79	$113,081,737
Asbestos Removal			
Non-Residential Historic Preservation			
Other Public Facility Needs	Medium	36	$26,875,108
INFRASTRUCTURE			
Water/Sewer Improvements	High	360	$342,426,231
Street Improvements	Medium	117	$186,195,954
Sidewalks	High	150	$33,837,742
Sewer Improvements	High	150	$256,638,605
Flood Drain Improvements	High	111	$216,546,396
Other Infrastructure Needs (Regional)	High	42	$197,000,000
PUBLIC SERVICE NEEDS			
Handicapped Services			
Transportation Services			
Substance Abuse Services			
Employment Training			
Health Services			
Other Public Service Needs	Medium	23	$30,512,458
ANTI-CRIME PROGRAMS			
Crime Awareness			
Other Anti-Crime Programs	Low	1	
YOUTH PROGRAMS			
Youth Centers	High	60	$23,461,900
Child Care Centers	Medium	71	$28,962,225
Youth Services			

Child Care Services			
Other Youth Programs			
SENIOR PROGRAMS			
Senior Centers	Medium	49	$26,496,194
Senior Services	Low		
Other Senior Programs			
ECONOMIC DEVELOPMENT			
Rehab; Publicly- or Privately- Owned Commercial/Industrial	Medium	74	$94,732,450
C/I Infrastructure Development	High	60	$94,300,490
Other Commercial/Industrial Improvements	Low	74	$94,732,450
Micro-Enterprise Assistance	Medium	86	$22,953,300
ED Technical Assistance	Medium	38	$9,753,050
Other Economic Development			
PLANNING			
Planning			
TOTAL ESTIMATED DOLLARS NEEDED:			$2,036,813,754

Table 2C
Summary of Specific Housing and Community Development Objectives
(Table 2A/B Continuation Sheet)

Applicant's Name: Commonwealth of Virginia

Priority Need Category
Improving neighborhoods and other areas through comprehensive community development programs.

Specific Objective
Number A-1
Over the next five years and contingent upon the priorities of local grant applicants, **provide financial and technical support for the comprehensive improvement of residential areas** in 15 CDBG-eligible areas resulting in revitalized neighborhoods including improved housing, water, sewer, road, and drainage conditions.

Priority Need Category
Increasing business and employment opportunities through economic development programs.

Specific Objective
Number B-1
Over the next five years and contingent upon the priorities of local grant applicants, **provide financial and technical support for the acquisition, development, rehabilitation, or expansion of business and industrial sites and facilities** affecting 3,000 jobs in 20 CDBG-eligible areas to result in raising wage levels, retaining existing jobs, generating new jobs and employment opportunities, generating long-term employment, diversifying and expanding local tax bases and economies, and reducing the out-commuting of workers and out-migration of residents.

Specific Objective
Number B-2
Over the next five years and contingent upon the priorities of local grant applicants, **provide financial and technical support for the acquisition, development, and revitalization of commercial districts** in 10 CDBG-eligible areas to result in increasing retail sales and property values in stagnating or declining commercial districts, retaining existing businesses, increasing the opportunities for small businesses in commercial districts, retaining existing jobs, and strengthening local tax bases.

Specific Objective
Number B-3
Over the next five years and contingent upon the priorities of local grant applicants, **provide financial and technical support for the development of entrepreneurial assistance programs including microenterprise assistance, business incubators, and similar efforts** by assisting up to 5 microenterprises providing up to 120 jobs in CDBG-eligible areas to result in creating assets among low-income persons, increasing employment opportunities and reducing unemployment, increasing wage levels by generating new jobs providing long-term employment and diversified and expanding local tax bases.

Priority Need Category
Conserving and Improving Housing Conditions.

Table 2C
Summary of Specific Housing and Community Development Objectives
(Table 2A/B Continuation Sheet)

Applicant's Name: Commonwealth of Virginia

Specific Objective
Number C-1

Over the next five years and contingent upon the priorities of local grant applicants, **provide financial and technical support for housing rehabilitation** to projects providing approximately 1,200 housing units serving LMI households in CDBG-eligible areas to result in reducing substandard housing conditions, conserving local housing stocks, stabilizing declining neighborhoods, promoting homeownership options, improving standards of living, and enhancing the attractiveness of the community.

Specific Objective
Number C-2

Over the next five years and contingent upon the priorities of local grant applicants, **provide financial and technical support for acquisition and improvement of sites and/or facilities for low- and moderate-income housing** facilitating the creation or preservation of 400 housing units in 8 CDBG-eligible areas to result in reducing the number of Virginia citizens in substandard housing, increasing the supply of housing, improving local standards of living, expanding housing opportunities, improving the quality of public facilities serving low- and moderate-income housing, and providing or improving basic public facilities serving low- and moderate-income housing.

Priority Need Category|:
Improving the Availability and Adequacy of Community Facilities

Specific Objective
Number D-1

Over the next five years and contingent upon the priorities of local grant applicants, **provide financial and technical support for acquisition of sites or rights-of-way for community facilities such as water, sewer, drainage, and streets** in 15 CDBG-eligible areas to result in providing basic facilities in areas where they are currently lacking.

Specific Objective
Number D-2

Over the next five years and contingent upon the priorities of local grant applicants, **provide financial and technical support for the installation, rehabilitation, or improvement of community facilities such as water, sewer, drainage, and streets** in 40 CDBG-eligible areas to result in providing basic facilities in areas where they are lacking, improving the quality of inadequate community facilities, enhancing the development potential of communities, and eliminating conditions detrimental to health, safety, and public welfare.

Priority Need Category:
Improving the Availability and Adequacy of Community Service Facilities.

Table 2C
Summary of Specific Housing and Community Development Objectives
(Table 2A/B Continuation Sheet)

Applicant's Name: Commonwealth of Virginia

Specific Objective
Number E-1

Over the next five years and contingent upon the priorities of local grant applicants, **provide financial and technical support for the acquisition of sites and/or structures for community services facilities** projects such as health services, youth, or senior centers in 3 CDBG-eligible areas to result in providing new or expanded community services.

Specific Objective
Number E-2

Over the next five years and contingent upon the priorities of local grant applicants, **provide financial and technical support for the construction, rehabilitation, or improvement of community service facilities** in 5 CDBG-eligible areas to result in developing new structures, or rehabilitating or improving existing structures for the provision of new or expanded community services.

Appendix C
2003 Certifications

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing – The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan – It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace – It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

2. Establishing an ongoing drug-free awareness program to inform employees about -

   (a) The dangers of drug abuse in the workplace;

   (b) The grantee's policy of maintaining a drug-free workplace;

   (c) Any available drug counseling, rehabilitation, and employee assistance programs; and

   (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;

4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -

   (a) Abide by the terms of the statement; and

   (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

5. Notifying the agency in writing, within ten calendar days after receiving notice under

subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -

   (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

   (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, *5* and 6.

Anti-Lobbying – To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, **it** will complete and submit Standard Form III, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State – The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan – The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

_____ _____

Signature, Authorized Official Date

Director, Virginia Department of Housing and Community Development

Title

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;

2. It engages in or will engage in planning for community development activities;

3. It provides or will provide technical assistance to units of local government in connection with community development programs; and

4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit, of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974 as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2002, 2003, and 2004 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive farce by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable Stare and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights' demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.

_____ _____

Signature, Authorized Official Date

Director, Virginia Department of Housing and Community Development

Title

Specific HOME Certifications

The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

> The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR *§*92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.2 14.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

_____ _____

Signature, Authorized Official Date

Director, Virginia Department of Housing and Community Development

Title

STATE GRANTEE
EMERGENCY SHELTER GRANTS PROGRAM
FY2003 CERTIFICATIONS

I William C. Shelton, Director of the Virginia Department of Housing and Community Development authorized to act on behalf of the State of Virginia, certify that the State will ensure compliance by units of general local government and nonprofit organizations to which it distributes funds under the Emergency Shelter Grants Program with:

(1) The requirements of 24 *CFR* 576.21 (a)(4) which provide that the funding of homeless prevention activities for families that have received eviction notices or notices of termination of utility services meet the following standards: (A) that the inability of the family to make the required payments must be the result of a sudden reduction in income; (B) that the assistance must be necessary to avoid eviction of the family or termination of the services to the family; (C) that there must be a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and (D) that the assistance must not supplant funding for preexisting homeless prevention activities from any other source.

(2) The requirements of 24 *CFR 576.25(b)(2)* concerning the submission by nonprofit organizations applying for funding of a certification of approval of the proposed project(s) from the unit of local government in which the proposed project is located.

(3) The requirements of 24 *CFR 576.53* concerning the continued use of buildings for which Emergency Shelter Grant funds are used for rehabilitation or conversion of buildings for use as emergency shelters for the homeless; or when funds are used solely for operating costs or essential services, concerning the population to be served.

(4) The building standards requirement of 24 *CFR* 576.55.

(5) The requirements of 24 *CFR 576.56*, concerning assistance to the homeless.

(6) The requirements of 24 *CFR 576.57*, other appropriate provisions of 24 *CFR* Part 576, and other applicable Federal law concerning nondiscrimination and equal opportunity.

(7) The requirements of 24 *CFR 576.59(b)* concerning the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

(8) The requirements of 24 *CFR 576.59* concerning minimizing the displacement of persons as a result of a project assisted with these funds.

(9) The requirements of 24 *CFR* 576.56(a) and 576.65(b) that grantees develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the Emergency Shelter Grants Program and that the address or location of any family violence shelter project assisted with ESG funds will not be made public, except with written authorization of the person or persons responsible for the operation of the shelter.

(10) The requirement of that recipients involve, to the maximum extent practicable, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, and in providing services for occupants of these facilities as provided by 24 *CFR 576.56(b)(2)*.

(11) The new requirement of the McKinney Act (42 *USC* 11362) to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons. I further understand that State and local governments are primarily responsible for the care of these individuals, and that ESG funds are not to be used to assist such persons in place of State and local resources.

I certify that the State will comply with the requirements of 24 *CFR* Part 24 concerning the Drug Free Workplace Act of 1988.

I certify that the State will comply with the provisions of, and regulations and procedures applicable under 24 *CFR* 576.57(e) with respect to the environmental review responsibilities under the National Environmental Policy Act of 1969 and related authorities as specified in 24 *CFR* Part 58 as applicable to activities of nonprofit organizations funded directly by the State. The State also agrees to assume the Department's responsibility and authority as set forth in 24 *CFR 576.57(e)* for acting on the environmental certifications and requests for the release of funds submitted to the State by local government recipients.

I certify that the State will ensure the provision of the matching funds required by 24 CFR 576.51 and 42 *USC* 11375, including a description of the sources and amounts of such supplemental funds, as provided by the State, units of general local government or nonprofit organizations.

I further certify that the submission of a complete and approved Consolidated Plan with its relevant certifications, which is treated as the application for an Emergency Shelter Grant, is authorized under State law, and that the State possesses legal authority to fund the carrying out of grant activities by units of general local government and nonprofit organizations in accordance with applicable laws and regulations of the Department of Housing and Urban Development.

Name and Title

_____ _____

Signature Date

Director, Virginia DHCD

Title

HOPWA Certifications

The State HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,

2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

_____ _____
Signature, Authorized Official Date

Director, Virginia Department of Housing and Community Development
Title

APPENDIX TO CERTIFICATIONS
INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE

REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.

2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. For grantees other than individuals, Alternate I applies. (This is the information to which jurisdictions certify).

4. For grantees that are individuals, Alternate II applies. (Not applicable jurisdictions.)

5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or Stale highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Virginia Department of Housing and Community Development
The Jackson Center
501 North Second Street
Richmond, VA 23219—1321

Check _____if there are workplaces on file that are not identified here; The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

9. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through *1308. 15);*

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).