

Commonwealth of Virginia Community Development Block Grant (CDBG)

Competitive Application Guidelines

Annual Action Plan 2024 - 2025



Virginia Department of Housing and Community Development
Division of Community Development and Housing

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Introduction

The Virginia Community Development Block Grant (CDBG) Program provides funding to eligible units of local government to address critical community development needs, including housing, infrastructure, and economic development. This Program has been administered by the Virginia Department of Housing and Community Development (DHCD) since 1982. CDBG funds are made available to DHCD by the U.S. Department of Housing and Urban Development (HUD).

CDBG Community Improvement Grants (CIGs) are designed to aid those communities with the greatest community development needs in implementing projects which will most directly address these needs while maximizing citizen participation. All CDBG projects must target at least one of the three national objectives:

- 1) *Give maximum feasible priority to activities which will benefit low- and moderate-income (LMI) families,***
- 2) *Aid in the prevention or elimination of slums and blight, and***
- 3) *May also include activities which are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the community* (referred to hereafter as Urgent Need).**

There are two types of CIG assistance:

- Competitive Grants, which include the following project types:
 - Economic Development
 - Comprehensive Community Development
 - Community Service Facilities
 - Public Infrastructure
 - Targeted Neighborhood Housing Rehabilitation
- Open Submission Grants, which include the following project types:
 - Planning Grants
 - Public Services
 - Construction-Ready Water and Sewer
 - Regional Water/Wastewater
 - Scattered Site (Housing Rehabilitation)
 - Urgent Need Open Submission Grants

Questions regarding Competitive Grant project development or about the application guidelines should be directed to:

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For general CDBG inquiries, contact: CDBGProgram@dhcd.virginia.gov.

For assistance with CAMS, contact the CAMS Help Desk at CAMSHelp@dhcd.virginia.gov.

Application Guidance

CDBG Program Design Manual

These application guidelines and all other guidance on CDBG proposal development must be used in conjunction with the 2024 CDBG Program Design Manual. The Program Design Manual is the final statement of Virginia's community development objectives, its projected use of funds, its method of fund distribution to local governments, and to present the core CDBG elements for the Virginia Consolidated Plan.

It is critical that applicants utilize the Program Design Manual to gain an understanding of the requirements of the CDBG program. The 2024 CDBG Program Design Manual is available at the following link: [CDBG Program page](#).

If you have any questions about what elements are required as part of your submission, please contact DHCD.

Instructions for Completion

Please note that applications must be submitted electronically through the Agency's Centralized Application and Management System (CAMS). To access CAMS, visit the website at www.dhcd.virginia.gov and click on the CAMS icon in the upper-right hand corner. You may then create a locality profile, add staff members, and access the CDBG Planning Grant program using the APPLY button. **Google Chrome is the recommended browser for CAMS.** Remember to SAVE often.

In the ATTACHMENTS tab you will also find a FORMS zip file containing both required and sample documents, along with an ALL ATTACHMENTS document which further explains each of the documents in the Zip file.

You are strongly encouraged to create an organizational profile early in the process.

Submission Requirements

All Competitive Grant applications and supporting information must be submitted in CAMS to the Department of Housing and Community Development (DHCD) by **11:59 PM on June 12, 2024**. Applications not submitted accordingly may be disqualified.

All applicants must submit completed responses to all appropriate Project Type questions and include all required attachments. The project type specific questions must be fully completed for the project type or types included in the proposal.

Project Budget

The following information provides guidance on Competitive Grant costs in general and how these costs are to be reflected in the project budget.

The budget must clearly show the activities where CDBG funds will be applied, and the amount applied to each activity. If other DHCD funds are involved in the project, they must be broken out into a separate column that identifies the funding source. It is critical that cost estimates are current.

Neighborhood Cleanup

This category includes the costs of routine community cleanup activities associated with Housing Rehabilitation and Comprehensive Community Development projects. This activity must be included in budgets for Comprehensive Community Development or Housing Rehabilitation applications.

Economic Development

For economic development projects, Business District Revitalization, façade improvements, streetscape, microloans, and individual property acquisition should be shown as separate activities.

Housing

In Housing Rehabilitation projects, owner-occupied rehabilitation, investor-owner rehabilitation and substantial reconstruction should be shown as separate activities. Housing rehabilitation costs must be based on walk-through inspections.

Public Infrastructure

For water and sewer projects, plant improvements, lines, and connections should be shown as separate activities. This also includes projects supporting Housing Production.

Project Line Items

The following is an overview of eligible cost categories. Localities are encouraged to contact DHCD for guidance on cost eligibility.

Administrative Costs

CDBG funding may be used to cover administrative costs in Community Improvement Grants of all types. CDBG-eligible administrative costs may be 10 percent of the total CDBG award with limits depending upon project type. Such costs are limited to:

Table 1: CDBG Maximum Grant Amounts & Administrative Cost Limits

	Activity	Maximum Grant Amount	Administrative Cost Limit*
Open submission	Public Services		
	1 locality	\$250,000	\$25,000
	2 localities	\$500,000	\$40,000
	CRWSF	\$2,000,000	\$100,000
	Regional Water/Wastewater		
	2 localities	\$3,000,000	\$100,000
	3+ localities	\$3,500,000	\$125,000
	Scattered Site Housing Rehab	\$1,250,000	\$100,000
	Urgent Need	\$1,000,000	\$80,000
Competitive	Economic Development		
	Community Economic Development		
	1 locality	\$1,250,000	\$100,000
	2 localities	\$1,500,000	\$125,000
	Business District Revitalization (BDR)	\$1,000,000	\$80,000
	Local Innovation	\$1,000,000	\$80,000
	Regional Innovation	\$1,500,000	\$100,000
	Comprehensive Community Development		
	2 activities	\$1,500,000	\$125,000
	3 activities	\$1,750,000	\$150,000
	Community Service Facilities	\$1,250,000	\$100,000
	Public Infrastructure		
	1 locality	\$2,000,000	\$100,000
	2 localities	\$3,500,000	\$150,000
	Targeted Neighborhood Housing Rehab	\$1,250,000	\$125,000

* This amount, or 10% of the amount awarded, whichever is lower

Lead Inspections & Risk Assessment and Remediation

The primary goal of lead hazard reduction efforts is to prevent childhood lead poisoning. DHCD has had a HUD funded lead hazard reduction grant and program for several years and plans to reapply for funds to continue the program in coming months. Regardless of the source of funding, DHCD strongly encourages each housing rehab applicant locality to include lead hazard alleviation activities (beyond the required minimums) as part of its proposal, particularly for pre-1978 units whose occupants include young children.

Architectural and Engineer Costs

CDBG funding may be used to cover architectural and/or engineering costs in Community Improvement Grants of all types. CDBG-eligible architectural and/or engineering costs are limited to ten (10) percent of

the total estimated construction cost or \$150,000, whichever limit is lower. Such costs may include basic engineering and design services, inspection and construction administration, and additional engineering services. Additional engineering services may be no more than \$10,000 of the cost limit.

Acquisition Costs

Acquisition costs include the costs of acquiring real property, including easements and fee simple purchases. Eligible costs include those required in adhering to the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Acquisition costs related to utility easements should be included in the water or sewer budget category.

Please note: If CDBG funds are used for acquisition or clearance to remove conditions of blight (assuming the property meets that definition through documentation), then this is considered to be the initial use of the property. Any subsequent or redevelopment use of the property/vacant land is considered to be a “change of use” under [24 CFR §570.505](#). The U.S. Department of Housing and Urban Development (HUD) regulations pursuant to [24 CFR §570.505](#) require that the “end use” of the property should also meet a national objective, “the new use of such property qualifies as meeting of the national objectives in [§570.208](#) (formerly §570.901) and not a building for the general conduct of business”.

The “end use” of the property or vacant land must meet one of the remaining two National Objectives: (1) Activities benefiting low to moderate income persons or (2) Urgent Need. Most often the “end use” will need to meet the Broad National Objective activities benefiting low to moderate income persons. The redevelopment/reuse plan for the building/vacant lot must be a CDBG eligible activity designed to benefit low to moderate income persons (i.e. a community service facility, economic development, etc.).

Relocation Costs

Relocation costs category includes the costs of relocation payments and assistance for displaced individuals, families and businesses. Eligibility is generally determined by the Uniform Relocation Act.

Disposition Costs

Disposition costs category includes the cost of disposition through sale, lease or donation of real property and temporary management of property.

Demolition/Clearance Costs

The Demolition/Clearance costs category includes the costs of demolition, clearance, or removal of buildings or other improvements. Demolition activities completed as part of a substantial reconstruction must be included under the Substantial Reconstruction budget category.

Construction/Implementation Costs

The Construction/Implementation Costs category includes the costs of construction, reconstruction, rehabilitation, or installation of improvements of facilities and/or direct costs of delivering a service. Applications with the most current cost estimates will be in a more credible position.

Other Costs

The Other Costs category includes costs specific to a particular project or project type, such as Home Maintenance and Education Training in projects with housing rehab activities. You may also use this to create a new project activity label for if an appropriate one cannot be identified.

Leverage

Local match (actual or in-kind), which generally originates from an applicant locality, for design and construction activities and some supporting activities may be counted if expended on or after July 1, 2022. **Non-local match** for design and construction activities may be counted if expended on or after July 1, 2023.

Required Attachments

[Table 2: CDBG Competitive Application Required Attachments](#), below, details the attachments required when submitting a competitive application via CAMS.

In the ATTACHMENTS tab you will also find a FORMS zip file containing both required and sample documents, along with an ALL ATTACHMENTS document which further explains each of the documents in the Zip file.

You may zip these files and attach. The attachment limit 500 MB per attachment. If you have difficulty, please contact DHCD to discuss alternatives.

Please use the Attachment Table Key to assist with reading **Error! Reference source not found.. Note:** For Local and Regional Innovation Projects, all attachments are project dependent. If interested in submitting a Local Innovation or Regional Innovation project, please contact DHCD/Program Administrator to confirm which attachments are necessary.

Attachment Table Key

Economic Development

CED = Community Economic Development

BDR = Business District Revitalization

LI = Local Innovation

RI = Regional Innovation

X = Required Document

* Indicates a relevant template is available on CAMS

Non-Economic Development Projects

CCD = Comprehensive Community Development

CSF = Community Service Facilities

PI = Public Infrastructure

TNHR = Targeted Neighborhood Housing Revitalization

PD = Project Dependent document

Table 2: CDBG Competitive Application Required Attachments

#	Attachments	Economic Development							
		CED	BDR	LI	RI	CCD	CSF	PI	TNHR
	Public Hearing Documentation, Resolution, Certifications and Assurances								
1	(Advertisements, meeting minutes, etc.)*	X	X	PD	PD	X	X	X	X
2	Maps	X	X	PD	PD	X	X	X	X
	Preliminary Engineering Report (PER) and/or Preliminary Architectural Report (PAR) and Approval Letters, or other costs estimates								
3		X	X	PD	PD	X	X	X	
4	Letters of Commitment & Support	X	X	PD	PD	X	X	X	X
	Stakeholder Table & Documentation of Community Meetings								
5		X	X	PD	PD	X	X	X	X
6	Relevant approved and adopted plans and documents demonstrating Need, Demand	X	X	PD	PD	X	X	X	X
	Neighborhood Survey Instrument/Needs Assessment Tool and Results								
7			X	PD	PD	X	X	X	X
	Proposed Project Management Plan, Timeline, and Management Team Table/List and Planning Grant Materials if applicable*								
8		X	X	PD	PD	X	X	X	X
	1. Signed User Participation/Agreements or Declination Document (including Façade Agreements)*; 2. Signed Business Participation Agreements or Business Commitment Letters; 3. Economic Restructuring Plan								
9			X	PD	PD	X	X	X	X
	CDBG Census Information and Compliance Chart*								
10		X	X	PD	PD	X	X	X	X
11	Rate & Fees Information*	X	X	PD	PD	X	X	X	
	Completed HRS, Housing Activity Tables, Summary of Inspections, and Ability to Pay Summary Table*								
12				PD	PD	X			X
13	CDBG Funding Sources Table*	X	X	PD	PD	X	X	X	X
	Draft Ownership, Management, Staffing and Operations Plan (including five- year financials), Pro Forma								
14		X		PD	PD		X	X	
15	Environmental Review Checklist*	X	X	PD	PD	X	X	X	X
16	Two Page Summary*	X	X	PD	PD	X	X	X	X
17	CDBG Budget*	X	X	PD	PD	X	X	X	X
18	Site Plan and/or Site Inventory	X	X	PD	PD	X	X		X
19	Business Participation Table*		X	PD	PD				

#	Attachments	Economic Development				CCD	CSF	PI	TNHR
		CED	BDR	LI	RI				
20	Letter of Support from PDC and from VEC or other partners	X	X	X	X	X	X	X	X

Description of Administrative Forms

Budget Forms and Documentation

CDBG Sources

The amounts listed in this budget must be consistent with those from other sections in the application and from supporting documents, such as the Local Government Resolution. Specify each source of local funds, whether general revenue, bonds, loans or otherwise. Include a dollar amount for in-kind contributions where possible. A template is located in the ATTACHMENT tab in CAMS.

Cost Estimates & Documentation

Provide detailed information on the costs of the proposed project. List at a minimum each activity and its component cost elements. Preferably, list the cost elements of the components as well, showing itemization by line item or unit cost. provide the total cost of each item and identify the CDBG and non-CDBG portions of each. It is critical that cost estimates be current (within one year of application submittal). Provide detailed information on the source of the cost estimate and the date that estimate was provided. Housing rehabilitation costs must be based on walk-through inspections. This attachment can be sufficed by providing the actual cost estimate completed by a licensed professional (i.e. PER/PAR, itemized construction costs, Housing Inspection Reports, etc.)

Verification of Leveraging Funds

Include contracts, agreements, award letters, and other documentation which confirms the commitment of other funding to the project. Identify contact persons and contact information for other funds in the project.

Demographic Forms and Documentation

Census Information and Compliance Form (required for all projects)

This form is used to gather demographic information for households in the locality as a whole *and* the Project Area. You can locate 2020 Census data for your locality via the following link: [Census Website](#). A template is located in the ATTACHMENT tab in CAMS.

Maps

Include project area maps, site plans, etc. Maps should be coded to clearly match the information contained in the proposal narrative. For example, mapped locations should list the street and be coded to show LMI status, level of blight, etc.

Information of more than one type may be included on one map if the combined information is clearly legible and comprehensible. Maps should contain the following:

- A scale which is clearly marked on the map;
- Boundaries of the locality (if applicable);
- Boundaries of the project or service area where activities will be concentrated;
- Location(s) of all proposed project activities, including water and sewer lines by type;
- Location and numbers / names of streets and route numbers leading to and in the target area;
- For projects involving housing rehabilitation, indoor plumbing provision, and/or water or sewer connections, provide the location of the impacted households within the project area. Indicate which units are LMI-occupied, which are vacant, which have unknown occupants, which are in need of rehabilitation or substantial reconstruction, which are to receive water or sewer service, which are to receive indoor plumbing, etc.
- For Targeted Area Housing activities, there is no minimum number of houses to be served in the project area, but sufficient justification and documentation of project area boundaries is required. Housing units served within a clustered project area may not be revisited within 10 years after project completion.

The map is a key reference document showing some of the most pertinent information regarding the project. Therefore, it is vital that the map is clear and accurate in its graphic presentation. Applications with insufficient maps will result in lower project scores.

Proposed Project Management Plan and Timeline

Prepare a proposed timeline or construction schedule, including monthly milestones, which identifies specific tasks, staff/sub-grantee or contractor responsible, and data collection, etc., and start and completion dates.

Assurances and Certifications

See the ASSURANCES AND CERTIFICATIONS form in the ATTACHMENTS tab. **This information is critical and must be included in your proposal.**

Each applicant must provide a copy of its Competitive Grant proposal to the local Planning District Commission for review. Include a copy of the transmittal letter as an attachment and any correspondence received from the Planning District Commission prior to proposal submission.

Also include a copy of a resolution passed by the local governing body of the applicant giving the chief administrative official authority to complete, sign, and submit this proposal. The resolution should also verify the exact dollar amounts being contributed from the locality.

The resolution must contain the following:

- That the locality wishes to apply for Virginia Community Development Block Grant (CDBG) funds;
- The project type and title;
- The amount of CDBG funds requested;
- The amounts of local, state, or federal funds that are part of the total project cost;

- That the chief administrative official is authorized to sign and submit all appropriate information necessary to apply for CDBG funding; and,
- That citizen participation requirements have been met by holding at least TWO public hearings, advertising both as appropriate and with at least one other form of public notice.
- That, in LMI benefit projects, the project will meet the National Objective of providing benefit to LMI persons and that there will be a specific projected number of LMI beneficiaries (number of jobs, number of houses improved, etc.).

The resolution should also include special information related to certain project types:

For Regional projects – Include copies of resolutions from each locality authorizing participation. Also provide copies of the completed first page of the Competitive Grant forms from each locality which should reflect the same information from each locality but for the **MULTI-CONTRACT LIMITATIONS** and the **CERTIFICATION AND SIGNATURE**.

For projects with Business District Revitalization activities – Include statements acknowledging the requirement that CDBG slum and blight removal activities occur in accordance with Title 36, Article 7 of the *Code of Virginia* and that the locality will, if necessary during implementation, develop a Redevelopment or Conservation Plan.

The executed Citizen Participation Assurances and Certification, General Assurances and Certification, Drug Free Workplace Assurances and Certification, and Applicant Disclosure Report should be included in Attachment 1. The following is a checklist of items which should be included.

Refer to the CDBG Forms file in the ATTACHMENTS tab for templates and guidance for the items below.

- ☐ Local Government Resolution
- ☐ General Assurances and Certification
- ☐ Drug Free Workplace Assurances & Certification
- ☐ Applicant Disclosure Report
- ☐ Documentation of two Public Hearings

Project Types

The 2024 CDBG Program includes three Project Type Categories: Competitive Submission Grants; Open Submission Grants; and Planning Grants. This section details the project types and the project sub-types.

Competitive Grants

The 2024 CDBG Competitive Grants program offers five distinct project types:

- Economic Development
- Comprehensive Community Development
- Community Service Facility
- Public Infrastructure
- Targeted Neighborhood Housing Rehabilitation

The section below details each project type and provides relevant information.

Economic Development

Economic Development projects have four sub-project types. The section below provides information based on each project type.

Community Economic Development

The Community Economic Development Fund (CED) is designed to support economic development activities creating employment opportunities for low- and moderate-income persons. Single locality projects are eligible for up to \$1,250,000; multi-locality projects are eligible for up to \$1,500,000. Community Economic Development projects that are non-industrial and will have a regional impact are eligible for up to \$1,500,000 in CDBG assistance. DHCD recommends that any locality considering an application for economic development funds request a Planning Grant prior to submission of an implementation application.

For all CED's an irrevocable Letter of Credit, bond, or other guaranteed form of security will be required in the amount of the CED grant. This security must remain in place until all program requirements are satisfactorily met. Additionally, these types of projects must include documents that demonstrate a high degree of thoughtfulness and readiness, as well as having key roles filled.

Community Economic Development Fund projects typically fall into one of three categories: Job Creation/Retention, Site Redevelopment, or Development Readiness.

JOB CREATION AND RETENTION

The Job Creation and Retention category targets projects with LMI job creation resulting from commercial enterprises, sheltered workshops, or other non-basic industries, or projects with LMI job retention by basic and non-basic industries. CDBG assistance under Job Creation and Retention is available for on-site or off-site assistance. 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. Applicants should include a draft Industry Agreement, and a draft hiring/retention plan that demonstrates how more than 51% of jobs created or retained are held by or made available to persons of low- to moderate-income.

SITE REDEVELOPMENT

This project category targets sites which have been rendered unmarketable or unusable by previous uses and which have conditions having an impact beyond the boundaries of the site. CDBG assistance may be utilized to correct identified conditions, provided they are justified as blight in accordance with earlier guidance.

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 result in increased potential for investment on and surrounding the site. Applicants must show the difference in the property value, before and after the project, with pre and post appraisals, unless an alternative method is negotiated with and approved by DHCD. In the event the post appraisal does not support the increase in value of the property, DHCD reserves the right to request other measures of the values, including, but not limited to, the sales price, additional appraisals, etc., in order to determine if undue or inappropriate benefit of public funds is likely to accrue to a private, for-profit entity.

DEVELOPMENT READINESS

This category allows for the completion of improvements which will result in the 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. Two such barriers are as follows:

The existence of previously used sites and structures for which reuse for economically beneficial activities is not cost effective in comparison 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 seeks to address these barriers directly by making resources available for site redevelopment and for commercial building development. In instances where the proposed site or building is publicly owned, eligible activities include:

- Acquisition,
- Site preparation,
- On-site and incidental off-site infrastructure,
- Architectural and engineering costs,
- Building rehabilitation or construction, and
- Administration.

All CDBG funding spent on these projects, save for administrative costs, must be recovered upon sale or long-term lease of the site or building to a private sector entity which will create the required jobs. Full recovery of the funds must occur within one year of the completion of construction activities.

Business District Revitalization

CDBG assistance is available up to \$1,000,000 for Business District Revitalization project to eliminate blighting conditions in a targeted downtown or commercial district as a means of creating better environments for economic activities. These projects may also include activities such as downtown housing, job creation, establishing a loan pool, or other economic revitalization efforts, and / or business district amenities. Please note the above activities MUST be completed concurrently with construction.

Applicants must have in place an Economic Restructuring Plan to help ensure the long-term success and viability of the project. Applicants must provide a clear definition of what criteria they are using to classify “blight” and clearly show where the blight removal will take place within the project area. In order to be eligible for construction funding, applicants must demonstrate that at least 25 percent of the properties in the potential project area are physically blighted or have at least a 50% vacancy rate. A locality is required to become a Main Street affiliate if not already one. See *the 2024 Program Design Manual* for additional information.

Local & Regional Innovation

CDBG funding will be utilized for innovative, pilot projects which will include only CDBG-eligible activities, meet a CDBG national objective, include a limited number of activities, and be designed in accordance with the CDBG Citizen Participation Plan. Examples of types of Innovation Program funding include:

- Individual Development Account programs;
- Program funds to support Economic Restructuring activities;
- Entrepreneurship Development
- Small Scale Manufacturing
- Telecommunications/broadband projects
- Sustainable community development efforts

An Innovation Project to be conducted in only one locality is eligible for up to \$1,000,000; an innovation project conducted on behalf of more than one locality is considered regional and is eligible for up to \$1,500,000. Further, regional applications must include letters of commitment from each locality as well as a cash match of 25% of the funding request.

Comprehensive Community Development

Comprehensive Community Development (CCD) projects are projects that target substandard housing and at least one other eligible CDBG activity to address the needs within a small community. The emphasis of CCD projects is addressing the housing conditions of the community. Other activities may be

undertaken as appropriate and as identified through a neighborhood needs assessment. These projects are not intended to primarily focus on deferred maintenance of infrastructure. Any CDBG activity must, on its own, qualify as being eligible for CDBG funds.

CCD projects that include at least two eligible significant activities (significant activities must amount to at least 20% of the CDBG budget) are eligible for up to \$1,500,000 in CDBG funding. Projects with three or more significant activities (significant activities must amount to at least 10% of the CDBG budget) are eligible for up to \$1,750,000.

Applicants for CCD projects must complete the Targeted Neighborhood Housing Rehabilitation section, and any other sections that apply to their significant activities.

Community Service Facility

CDBG assistance is available up to \$1,250,000 for Community Service Facilities which are physical facilities targeting the provision of important services to low- and moderate-income (LMI) persons and the greater community.

CDBG funds are not to be used to construct office and/or service delivery space for local or state operated entities (like DSS, VDH, etc.). Generic “community centers” or “Multi-Purpose Community Centers”, such as facilities which offer recreation and general community meeting space, continue to be a priority for Virginia’s CDBG Program in accordance with Governor Glenn Youngkin’s priorities. Projects must provide targeted, directed services and programs, for which there is documented need and demand, to predominately low and moderate-income (LMI) persons. If scattered programs are being consolidated or if existing programs are seeing demand beyond that which they can fulfill and the project will address this, then the applicant should clearly describe how this project will help resolve the need. DHCD expects these types of projects and the services they provide to deliver measurable, positive changes.

Housing Production Assistance

CDBG assistance is available in support of the development public infrastructure for new single- and multi-family housing units targeted for low- and moderate-income persons. CDBG funding is applicable including final design and construction costs, for public infrastructure (e.g. water, sewer, and/or street improvements) supporting the development of housing units. **These projects are eligible for up to \$1,250,000 in CDBG assistance.**

See the 2024 Program Design Manual for more information.

Public Infrastructure

CDBG 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. Public Infrastructure projects for a single locality are eligible for up to \$2,000,000 of CDBG funding. Public infrastructure projects with two or more localities are eligible for up to \$3,500,000.

Applications under the Comprehensive Community Development project type and which include water or sewer improvements must also complete this section.

In addition, CDBG assistance is available in support of the development public infrastructure for new single- and multi-family housing units targeted for low- and moderate-income persons (referred to as Housing Production). CDBG funding is applicable including final design and construction costs, for public infrastructure (e.g. water, sewer, and/or street improvements) supporting the development of housing units. ***These projects are eligible for up to \$2,000,000 in CDBG assistance.***

Applications which include water and/or sewer service activities in the design of a project, regardless of the project type, must meet the following requirements:

- Service must be made available to any house within the project area that is occupied by an LMI household located within 200 feet of the distribution (water) or collector (sewer) line provided the cost of installing said connection line does not exceed \$3,500. This service must be made available to said LMI household without cost to the household. This requirement does not apply to the monthly user fees based on the rates applicable to all customers.
- Water meters are required for each customer that connects to the CDBG supported utility line (mobile home park owners are considered a single customer);
- The CDBG investment per utility connection may not exceed an average of \$30,000 for water service or \$50,000 for sewer service.

LMI persons cannot be charged an access fee for facilities developed using CDBG funding and neither are these fees CDBG-eligible expenses. The actual physical costs of connections will be eligible for CDBG funding.

Targeted Neighborhood Housing Rehabilitation

CDBG assistance is provided to improve LMI-occupied housing units to DHCD Housing Rehabilitation Standards (HRS). Housing rehabilitation activities include:

- Are eligible for up to \$1,250,000 in CDBG assistance.
- Must target housing rehabilitation needs within a single, well-defined project area
- No minimum number of houses in project area
- If the project area does not contain 51% or greater LMI households, overall CDBG activities may be limited to those LMI properties in the targeted study area.
- Targeted area may not be revisited with CDBG funding within 10 years of project completion, so a sufficient assessment of community needs and prioritization is necessary.

Housing Rehabilitation applications must include documentation that each unit targeted for rehabilitation has been inspected to some extent to assess potential rehabilitation costs. Housing inspections can range from a walk-through inspection of systems and components to a detailed, checklist-driven inspection of the entire house. The documentation appropriate for walk-through inspections is a table or spreadsheet identifying the house and the total estimated cost of rehabilitation overall and by system/component. The documentation appropriate for detailed DHCD Housing Rehabilitation Standards HRS inspections is a construction write-up and detailed cost estimate. Applications with the most current cost estimates will be in a more credible position as DHCD evaluates the authenticity of project costs. Assistance is limited per house; see the Program Design Manual for more information.

Housing rehab and production costs have increased dramatically. DHCD recently (2023 cycle) increased the rehab amounts, or the amount that could be invested in one unit. DHCD required a forgivable loan to be amortized over 5 years as long as the original beneficiary remained in the home. Given the much higher amounts invested in individual units, we are extending the amortization period based on the amount of CDBG construction funds invested in a house:

Table 3: Housing Rehab Loan Amortization Periods

Loan Amount	<u>Amortization Period</u>
Up to \$50,000	5-year forgivable loan
\$50,001 to \$100,000	10-year forgivable loan
\$100,001 and above	15-year forgivable loan

The loan amount is forgiven in equal portions throughout the term of the loan. This applies to owner-occupied as well as renter-occupied.

Housing Rehabilitation applications should include documentation of the willingness of owner-occupants and investor-owners to participate in housing rehabilitation activities. The request must include a print-out of a completed Income Survey for those participants.

Open Submission Grants

Open Submission funding totaling \$6,000,000 is available on a rolling basis from May 2024 until November 15, 2024, or until all of the funding is committed.

A locality interested in obtaining an Open Submission CDBG grant must submit a completed application through DHCD's Centralized Application and Management System (CAMS). Applications are due on the 15th of each month (beginning June 15, 2024) and all applications submitted within that timeframe will be reviewed that month. Applications submitted after the 15th will be held until the 15th of the following month and reviewed accordingly. Applicants can expect notification of the status of application within the funding cycle window.

The sub-types of Open Submission Grants are:

- Public Services
- Construction-Ready Water and Sewer
- Regional Water/Wastewater
- Scattered Site Housing Rehabilitation
- Urgent Need

Regardless of project type, all projects must all of the required attachments required for a CDBG Competitive Application with an Open Submission application. Those attachments are under the "Required Attachments" section earlier in this document. More information about Open Submission projects can be found in the 2024 CDBG Program Design Manual under the "Open Submission" section.

Planning Grants

Planning Grant funding totaling \$1,000,000 is available on an open basis from June 15, 2024, until November 15, 2024, or until all the funding is committed.

A locality interested in obtaining Planning Grant assistance must submit a completed application through DHCD's Centralized Application and Management System (CAMS). Applications are due on the 15th of each month (beginning June 15, 2024) and all applications submitted within that timeline will be reviewed on a regular rolling basis through May – November 15th.

The two categories of planning grants are Activation planning grants and Project-Driven planning grants. More information can be found in the 2024 CDBG Program Design Manual in the "Planning Grant" section.

Regardless of planning grant category or project type, the following documents must be submitted with a prospective planning grant application.

- Completion of initial public meeting: A public meeting to be held for citizens to be informed of the locality's intentions for planning grant activities. The public meeting **does not** have to meet the requirements outlined in Appendix B of the 2024 CDBG Program Design Manual. A detailed

description of this requirement is in the 2024 CDBG Program Design Manual underneath the “Planning Grant” Section.

- Identification of Project Management Team (PMT) and at least one PMT Meeting. A detailed description of this requirement is in the 2024 CDBG Program Design Manual underneath the “Planning Grant” Section.

Draft project timeline and scope of work/planning grant products: A detailed description of this requirement is in the 2024 CDBG Program Design Manual underneath the “Planning Grant” Section

Appendix A – Virginia CDBG Program Eligible Localities

Cities		Counties			
Buena Vista	Accomack	Charlotte	Greensville	Montgomery	Rockingham
Covington	Albemarle	Clarke	Halifax	Nelson	Russell
Emporia	Alleghany	Craig	Hanover	New Kent	Scott
Fairfax	Amelia	Culpeper	Henry	Northampton	Shenandoah
Falls Church	Amherst	Cumberland	Highland	Northumberland	Smyth
Franklin	Appomattox	Dickenson	Isle of Wight	Nottoway	Southampton
Galax	Augusta	Dinwiddie	James City	Orange	Spotsylvania
Lexington	Bath	Essex	King and Queen	Page	Stafford
Manassas	Bedford	Fauquier	King George	Patrick	Surry
Manassas Park	Bland	Floyd	King William	Pittsylvania	Sussex
Martinsville	Botetourt	Fluvanna	Lancaster	Powhatan	Tazewell
Norton	Brunswick	Franklin	Lee	Prince Edward	Warren
Poquoson	Buchanan	Frederick	Louisa	Prince George	Washington
Salem	Buckingham	Giles	Lunenburg	Pulaski	Westmoreland
Williamsburg	Campbell	Gloucester	Madison	Rappahannock	Wise
	Caroline	Goochland	Mathews	Richmond	Wythe
	Carroll	Grayson	Mecklenburg	Roanoke	York
	Charles City	Greene	Middlesex	Rockbridge	
Towns					
Abingdon	Cedar Bluff	Edinburg	Keller	Pamplin City	Stony Creek
Accomack	Charlotte Court H.	Elkton	Kenbridge	Parksley	Strasburg
Alberta	Chase City	Exmore	Keysville	Pearisburg	Stuart
Altavista	Chatham	Farmville	Kilmarnock	Pembroke	Surry
Amherst	Cheriton	Fincastle	La Crosse	Pennington Gap	Tangier
Appalachia	Chilhowie	Floyd	Lawrenceville	Phenix	Tappahannock
Appomattox	Chincoteague	Fries	Lebanon	Pocahontas	Tazewell
Ashland	Claremont	Front Royal	Louisa	Port Royal	The Plains
Bedford	Clarksville	Gate City	Luray	Pound	Timberville
Belle Haven	Cleveland	Glade Spring	Madison	Pulaski	Toms Brook
Berryville	Clifton Forge	Glasgow	Marion	Remington	Troutdale
Big Stone Gap	Clinchco	Glen Lyn	McKenney	Rich Creek	Troutville
Blackstone	Clinchport	Gordonsville	Melfa	Richlands	Urbanna
Bloxom	Clintwood	Goshen	Middletown	Ridgeway	Victoria
Bluefield	Coeburn	Gretna	Mineral	Rocky Mount	Vinton
Boones Mill	Colonial Beach	Grottoes	Monterey	Rural Retreat	Virgilina
Bowling Green	Courtland	Grundy	Montross	Saltville	Wachapreague
Boyce	Craigsville	Halifax	Mount Crawford	Saxis	Wakefield
Boydton	Crewe	Hallwood	Mount Jackson	Scottsburg	Warrenton
Boykins	Culpeper	Haysi	Narrows	Scottsville	Warsaw
Branchville	Damascus	Hillsville	Nassawaddox	Shenandoah	Washington
Bridgewater	Dayton	Honaker	New Castle	Smithfield	Waverly
Broadway	Dendron	Hurt	New Market	South Boston	Weber City
Brodnax	Dillwyn	Independence	Newsoms	South Hill	West Point
Brookneal	Drakes Branch	Iron Gate	Nickelsville	St. Charles	White Stone
Buchanan	Dublin	Irvington	Onancock	St. Paul	Windsor
Burkeville	Duffield	Ivor	Onley	Stanardsville	Wise
Cape Charles	Dungannon	Jarratt	Orange	Stanley	Woodstock
Capron	Eastville	Jonesville	Painter	Stephens City	Wytheville

Appendix B – Public Participation

For All Potential Local Government Applicants:

It is important that community development projects carried out wholly or in part with Virginia Community Development Block Grant (CDBG) funds involve extensive citizen participation during the application development process. Local citizen participation should be encouraged throughout the process of developing a Community Improvement Grant (CIG) application. In particular, participation by low- and moderate-income (LMI) residents of the project service area or a slum and blight area should be encouraged. Participation is encouraged prior to submitting a Planning Grant application, but there are no firm requirements.

The following steps, however, are required for each local government wishing to submit a Community Improvement Grant application, including both competitive round projects and projects being submitted under the open submission funds. Applicants who cannot document compliance with the following public hearing requirements will not be eligible for a CDBG award.

Public Hearing Requirement

At a minimum, at least **two public hearings** must be held during the CIG applications development period.

- The two hearings must, at a minimum, be held one week apart.
- Advertisements for the two public hearings must be published separately. Applicants may not only publish one advertisement that includes information on both public hearings.
- Both public hearings must be held within twelve months of the application deadline (defined by DHCD in 2024 as June 1, 2024). In the case of the same applications being resubmitted within 12 months of prior application, applicants must hold at least one public hearing to include information on updated scope, budget, and project beneficiaries.
- Files must contain documentation verifying the hearings were held. This **must** include, at a minimum, the list of attendees, minutes of the hearings, and two (2) public notices for each public hearings (i.e. advertisement and other method of notifying citizens).
- For regional applications, each participating locality must hold two public hearings as described above.
- Applicants must provide timely written answers to written comments and grievances, within 15 working days where practicable.

Each hearing must be held after adequate notice as described below:

Notice of Public Hearings

Advertisement must be made in a non-legal, locally-circulated newspaper with the largest general circulation at least seven days prior to each hearing. The public hearing notices must provide the address, phone number, TDD, and times for submitting comments and grievances to the applicant locality. If publishing in a weekly paper, be sure the ads are published in such a manner as to comply with the requirements outlined here.

At least one other type of announcement must be done for each public hearing (examples below), at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped.

- Advertisement through local radio broadcast and/or television stations;
- Distribution of flyers in LMI areas and in the proposed service area(s);
- Announcements at local community organization meetings; or,
- Announcements through local churches and community centers located in LMI and proposed project areas.

First Public Hearing

The first hearing must be held early in the CIG applications development process to identify the applicant's community development and housing needs, the range of eligible project types funded through the CDBG program and the amount of money available to the applicant, as well as the applicant's past performance (if applicable) in the CDBG program during the previous five years. 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.

Between the two hearings applicants must make available to the public a fact sheet or application summary that identifies the proposed activities and objectives for the project and identifies who will be affected by these activities. Citizens must have an opportunity to comment on this document.

Second Public Hearing

A second hearing must be held for public review of and comment on the final draft of the CIG applications. A final draft or detailed fact sheet presenting the key activities and eligible benefits of the project must be available at the second public hearing, if not before.

Additional Citizen Participation Requirements

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 use of CDBG funds. Meetings should be conducted according to the standards established for the public hearings cited below. CDBG-related information and records must be made available to interested citizens with the availability of such items announced at least in the same manner as the public hearing advertisements.

Technical assistance must be provided to groups representative of persons of low- and moderate-income that request such assistance in developing applications for use of CDBG funds. The level and type of assistance is determined by the applicant's locality but must include at least consultation and written communication between a local contact person responsible for the CDBG applications' development and interested groups. The name, address, and telephone number of the contact person(s) must be made available upon request and announced at all public meetings held on the CDBG applications.

Where 5 percent 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.

An applicant with a current CIG project to which activities are to be added, deleted, or substantially changed (that is, substantial changes made in terms of purpose, scope, location, or 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 at least seven days prior to the hearing.

Applicants must keep documentation of how they met the above requirement in their CDBG files for verification. This documentation should include:

- Documentation of the Public Hearing advertisements,
- Documentation of the second method used to notify citizens of the public hearings,
- List of attendees,
- Minutes from the first hearing showing:
 - Available funds,
 - Available activities,
 - Past use of CDBG funds,
- Minutes from the second hearing showing:
 - Description of proposed activities,
 - Plans to minimize displacement and assist displaced persons (if applicable), and
 - Any requested special accommodations.

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

Appendix C – Fiscal Stress Score

Table 4: Fiscal Stress Scores

Name	Stress	Rank	Fiscal Stress Class
Accomack County	99.99	66	Below Average
Albemarle County	96.29	113	Low
Alleghany County	102.21	36	Above Average
Amelia County	98.68	84	Below Average
Amherst County	100.39	61	Above Average
Appomattox County	99.85	71	Below Average
Arlington County	92.55	130	Low
Augusta County	97.85	97	Below Average
Bath County	92.92	128	Low
Bedford County	97.53	101	Below Average
Bland County	101.97	39	Above Average
Botetourt County	97.61	100	Below Average
Brunswick County	99.95	68	Below Average
Buchanan County	103.51	24	Above Average
Buckingham County	99.82	73	Below Average
Campbell County	100.56	59	Above Average
Caroline County	98.92	80	Below Average
Carroll County	102.20	37	Above Average
Charles City County	98.16	92	Below Average
Charlotte County	101.55	45	Above Average
Chesterfield County	98.31	90	Below Average
Clarke County	94.05	124	Low
Craig County	99.21	77	Below Average
Culpeper County	97.91	96	Below Average
Cumberland County	100.97	51	Above Average
Dickenson County	103.44	26	Above Average
Dinwiddie County	99.66	75	Below Average
Essex County	99.09	79	Below Average
Fairfax County	93.39	127	Low
Fauquier County	93.67	126	Low
Floyd County	98.87	82	Below Average
Fluvanna County	98.14	93	Below Average
Franklin County	98.20	91	Below Average
Frederick County	97.72	98	Below Average
Giles County	101.50	46	Above Average

Name	Stress	Rank	Fiscal Stress Class
Gloucester County	97.96	94	Below Average
Goochland County	91.38	132	Low
Grayson County	101.86	41	Above Average
Greene County	98.89	81	Below Average
Greensville County	101.19	48	Above Average
Halifax County	100.70	57	Above Average
Hanover County	95.47	119	Low
Henrico County	98.51	88	Below Average
Henry County	101.77	44	Above Average
Highland County	96.81	107	Below Average
Isle of Wight County	98.55	87	Below Average
James City County	96.63	111	Below Average
King and Queen County	98.82	83	Below Average
King George County	96.78	109	Below Average
King William County	98.66	85	Below Average
Lancaster County	95.26	120	Low
Lee County	102.22	35	Above Average
Loudoun County	92.54	131	Low
Louisa County	97.19	104	Below Average
Lunenburg County	100.83	56	Above Average
Madison County	97.64	99	Below Average
Mathews County	96.35	112	Below Average
Mecklenburg County	102.94	28	Above Average
Middlesex County	96.22	114	Low
Montgomery County	100.89	54	Above Average
Nelson County	96.92	106	Below Average
New Kent County	95.94	116	Low
Northampton County	100.22	62	Above Average
Northumberland County	95.09	121	Low
Nottoway County	101.17	49	Above Average
Orange County	96.06	115	Low
Page County	100.08	63	Above Average
Patrick County	100.96	53	Above Average
Pittsylvania County	100.48	60	Above Average
Powhatan County	94.67	122	Low
Prince Edward County	101.45	47	Above Average
Prince George County	99.93	69	Below Average
Prince William County	96.77	110	Below Average
Pulaski County	101.82	42	Above Average
Rappahannock County	92.86	129	Low

Name	Stress	Rank	Fiscal Stress Class
Richmond County	99.20	78	Below Average
Roanoke County	99.86	70	Below Average
Rockbridge County	99.75	74	Below Average
Rockingham County	97.31	102	Below Average
Russell County	101.77	43	Above Average
Scott County	102.24	34	Above Average
Shenandoah County	98.57	86	Below Average
Smyth County	103.52	23	Above Average
Southampton County	100.57	58	Above Average
Spotsylvania County	96.79	108	Below Average
Stafford County	95.92	117	Low
Surry County	94.07	123	Low
Sussex County	102.53	30	Above Average
Tazewell County	102.53	31	Above Average
Warren County	97.92	95	Below Average
Washington County	99.98	67	Below Average
Westmoreland County	98.32	89	Below Average
Wise County	102.44	32	Above Average
Wythe County	101.13	50	Above Average
York County	96.96	105	Below Average
Alexandria City	95.79	118	Low
Bristol City	106.49	6	High
Buena Vista City	105.93	9	High
Charlottesville City	102.10	38	Above Average
Chesapeake City	100.05	64	Above Average
Colonial Heights City	102.44	33	Above Average
Covington City	106.51	5	High
Danville City	106.37	7	High
Emporia City	107.99	1	High
Fairfax City	93.99	125	Low
Falls Church City	90.55	133	Low
Franklin City	106.94	2	High
Fredericksburg City	99.49	76	Below Average
Galax City	106.02	8	High
Hampton City	105.23	13	High
Harrisonburg City	104.93	16	High
Hopewell City	105.49	11	High
Lexington City	104.30	20	High
Lynchburg City	104.98	14	High
Manassas City	99.84	72	Below Average

Name	Stress	Rank	Fiscal Stress Class
Manassas Park City	100.87	55	Above Average
Martinsville City	106.59	4	High
Newport News City	104.87	17	High
Norfolk City	104.95	15	High
Norton City	105.79	10	High
Petersburg City	106.83	3	High
Poquoson City	97.27	103	Below Average
Portsmouth City	105.26	12	High
Radford City	104.73	18	High
Richmond City	103.64	22	Above Average
Roanoke City	104.39	19	High
Salem City	103.48	25	Above Average
Staunton City	103.28	27	Above Average
Suffolk City	100.96	52	Above Average
Virginia Beach City	100.01	65	Above Average
Waynesboro City	104.08	21	High
Williamsburg City	101.96	40	Above Average
Winchester City	102.87	29	Above Average