

***Commonwealth of Virginia
Community Development Block Grant
Disaster Recovery (CDBG-DR)***

**Action Plan Amendment 1 for Tropical Storm Helene Disaster
Strategy for DR-4831-VA**



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Action Plan Change Log

Amendment Type and Number	Effective Date	Summary of Amendment
<p>APA – 1 (Substantial)</p>	<p>Draft</p>	<p>This amendment changes Low to Moderate-Income (LMI) requirements, removes one (1) program, and reallocates funds across the various program areas. The following items are addressed:</p> <ul style="list-style-type: none"> • The Commonwealth previously required at least 85% of CDBG-DR funds to benefit Low and Moderate-Income (LMI) persons. This amendment lowers that threshold to the HUD requirement of 70%. • The amount allocated to Public Services is modified from \$1,217,490 to \$0. <ul style="list-style-type: none"> ○ The Public Services Program is eliminated. Of its total allocation, \$304,350 is reallocated to Administration to reach the full allowable percentage cap, and the remaining \$913,140 is reallocated to the Housing Recovery Program. • The amount allocated to Planning is modified from \$6,087,450 to \$3,720,000. <ul style="list-style-type: none"> ○ The Planning Program is restructured to provide planning awards to each HUD and DHCD-identified MID area, or representative Planning District Commissions. ○ Funds from planning (\$2,367,450) are reallocated to Housing to support additional construction, repair, and rehabilitation projects. • The amount allocated to Housing is modified from \$15,015,710 to \$18,296,300. <ul style="list-style-type: none"> ○ Additional funding enables more units to be repaired, reconstructed, or newly constructed. • Rental and Homeownership Housing recovery are merged into a single Housing Recovery Program. <p>The expected results of this amendment include more units assisted, faster and more consistent delivery, and strengthened compliance.</p>

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Amendment 1: Summary of Changes

This document presents the **First Amendment** to the Commonwealth of Virginia Action Plan for Disaster Recovery: Tropical Storm Helene (DR-4831-VA), approved by the U.S. Department of Housing and Urban Development (HUD) on April 30, 2025. This amendment reflects targeted programmatic and financial adjustments necessary to (1) ensure full alignment with the U.S. Department of Housing and Urban Development (HUD) 70 percent Low- and Moderate-Income (LMI) national objective, (2) reallocate funding to better meet housing unmet needs, and (3) streamline program delivery under a consistent statewide model.

Although this amendment revises allocations among the Housing, Planning, and Public Services Programs, the total CDBG-DR grant amount of \$46,670,000 remains unchanged.

Purpose of Amendment

The overall intent of this Amendment is to recalibrate program resources in response to evolving post-storm recovery conditions, updated unmet-needs assessments, and HUD guidance.

Below is a summary of the key changes for Amendment 1.

Key components include:

1. **Alignment with HUD Standards:** This amendment adjusts the Housing Program targeting to ensure compliance with HUD's 70% Low and Moderate-Income (LMI) benefit requirement.
2. **Program Elimination and Reallocation:** The Public Services Program is eliminated, and its total allocation of \$1,217,490 is reprogrammed, with \$304,350 transferred to Administration to reach the 5% percent cap and the remaining \$913,140 reallocated to the Housing Recovery Program.
 - Public Services allocation amount modified from \$1,217,490 to \$0.
3. **Planning Program Restructure:** The Planning Program is restructured to provide planning awards to each HUD and DHCD-identified MID area, or representative Planning District Commissions.
 - Planning allocation amount modified from \$6,087,450 to \$3,720,000.
 - Funds removed from planning (\$2,367,450) are reallocated to Housing to support additional construction, repair, and rehabilitation projects. This approach maintains sufficient capacity for local planning and coordination while prioritizing funds for direct housing recovery.
4. **Reconfiguration of the Housing Recovery Program:** The Housing Program is enhanced and restructured as a state-run, hybrid initiative administered by DHCD, incorporating standardized processes and consistent eligibility criteria across localities. Qualified jurisdictions may opt out of the grantee-administered program and self-administer their housing programs under DHCD oversight, provided they have adequate capacity and a compliance history.

- Housing allocation amount modified from \$15,015,710 to \$18,296,300.
- Rental Housing and Homeownership Housing were previously separated as two (2) distinct allocations in “Table 9: CDBG-DR Program Allocation and Funding Thresholds.” These are now merged to reflect the singular Housing Recovery Program that includes both rental and homeownership housing.

Table 1: Tropical Storm Helene Allocation Changes

Program Category	Previous Allocation	Change	Revised Allocation
Housing Recovery Program	\$15,015,710	+\$3,280,590	\$18,296,300
Planning Program	\$6,087,450	-\$2,367,450	\$3,720,000
Public Services Program	\$1,217,490	-\$1,217,490	\$0
Total Grant Amount	\$46,670,000		\$46,670,000

Key Outcomes and Impacts:

- Increased Housing Production: Additional funding enables more units to be repaired, reconstructed, or newly constructed, closing remaining unmet housing needs.
- Improved Program Efficiency: Centralized DHCD administration allows consistent policy enforcement, better cost control, and faster disbursement of funds.
- Enhanced Compliance: The reallocation ensures adherence to HUD’s 70% LMI benefit requirement and DRGR performance metrics.
- Streamlined Planning: Smaller, standardized planning awards simplify oversight and reporting while maintaining local input in long-term recovery strategies.
- Cost Neutrality: Total grant funding remains constant, with all adjustments occurring within existing program allocations.

Note: Amendment 1 represents a strategic realignment of Virginia’s CDBG-DR program to maximize impact, accelerate delivery of housing assistance, and strengthen accountability across all recovery components. The reallocation of funds is cost-neutral at the grant level, but it enhances the commonwealth's capacity to achieve tangible housing outcomes and ensure compliance with HUD standards and federal recovery objectives.

Executive Summary

Tropical Storm Helene struck the Commonwealth of Virginia between September 25, 2024, and October 3, 2024, causing catastrophic rainfall-triggered flooding in Southwest Virginia. The disaster resulted in unprecedented impacts on the region's infrastructure and economy, along with widespread housing damage. In the months following the event, the impacted localities have worked to leverage resources from local, state, and federal partners to navigate the long-term recovery process towards creating more resilient communities. Despite these coordinated efforts, preliminary estimates from the Federal Emergency Management Agency (FEMA) approximate more than \$340 million in hurricane damage to the Commonwealth.

When a community's recovery needs exceed what is available through recovery resources from FEMA or other federal agencies, Congress may appropriate additional recovery funding through the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant-Disaster Recovery (CDBG-DR) Program. Following a special appropriation in December 2024, on January 16, 2025, HUD published a *Federal Register* notice that allocated \$46,670,000 in CDBG-DR funds to the Commonwealth of Virginia for Hurricane Helene recovery (90 FR 4759).

As the only long-term funding for disaster recovery provided by the federal government, CDBG-DR funds are meant to address the "unmet needs" of disaster recovery that may not be met by other federal programs or funding sources, while also incorporating measures to mitigate the impact of future disasters. Emulating the flexibility of the traditional CDBG program, CDBG-DR funds may be used for housing, infrastructure, economic development, public services, and other eligible activities in the aftermath of a major disaster. The Virginia Department of Housing and Community Development (DHCD) is the lead agency for the Commonwealth's CDBG-DR funding.

This Action Plan is required by HUD as one of the preliminary measures that DHCD must complete to access CDBG-DR funding. The Plan serves to estimate Virginia's unmet needs related to Tropical Storm Helene and describe how the Commonwealth intends to use CDBG-DR funding to address those unmet needs. Please note that this document is specific to the activities funded under the CDBG-DR program and is not intended to serve as a comprehensive long-term recovery plan.

Overview

The U.S. Department of Housing and Urban Development (HUD) has determined that the Commonwealth of Virginia will receive \$46,670,000 in funding to support long-term recovery efforts following Tropical Storm Helene (FEMA-4831-DR-VA) through the Department of Housing and Community Development. Community Development Block Grant-Disaster Recovery (CDBG-DR) funding is designed to address needs that remain after all other assistance has been exhausted. This plan details how funds will be used to address the remaining unmet needs in Virginia.

To meet long-term disaster recovery and mitigation needs, the statutes making CDBG-DR funds available have imposed additional requirements and authorized HUD to modify the rules that apply to the annual CDBG program to enhance flexibility and facilitate quicker recovery. HUD has allocated \$46,670,000 in CDBG-DR funds to the Commonwealth of Virginia in response to the following, through the publication of the Federal Register Docket No. FR-6512-N-01. This allocation was made available through the Disaster Relief Supplemental Appropriations Act, 2025 - Pub L. 118 - 158.

Disaster-Specific Overview

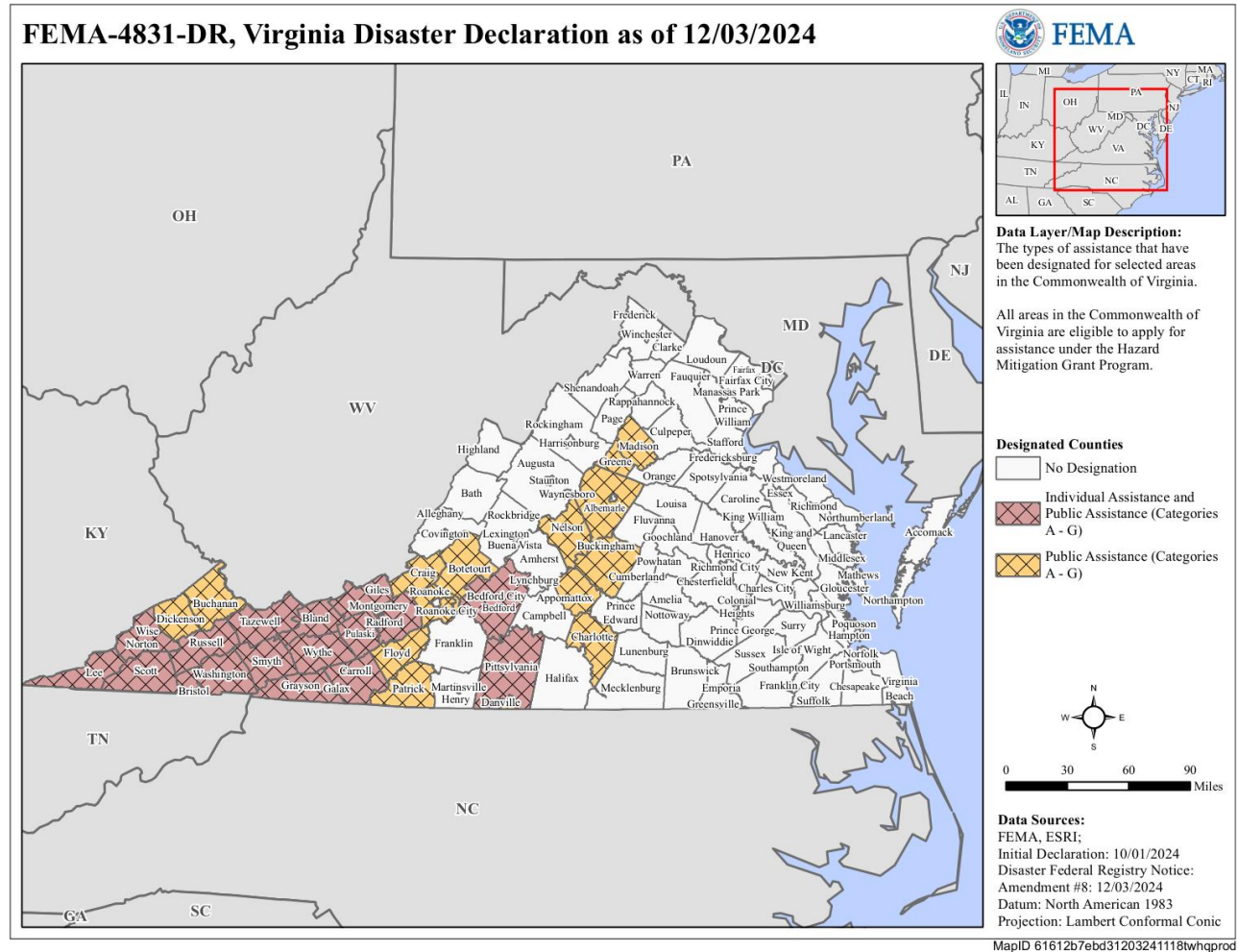
On September 27, 2024, Tropical Storm Helene hit Virginia, causing historic rainfall, floods, strong winds, and tornadoes in the Southwest region. This storm significantly damaged roads and bridges, isolating communities and hindering response and recovery efforts. With preliminary FEMA damage estimates exceeding \$340 million, the region faced severe economic impacts, including debris removal and damage to water systems, lakes, rivers, homes, and public infrastructure.

Governor Glenn Youngkin requested an expedited Major Disaster Declaration from the federal government on September 30, 2024, for southwest cities and counties to receive FEMA Public and Individual Assistance. On October 1, 2024, the President declared Virginia a major disaster area under the Stafford Act (P.L. 93-288).

This declaration made FEMA Individual Assistance, requested by the Governor, available to affected individuals and households in Giles, Grayson, Smyth, Tazewell, Washington, and Wythe Counties, and the independent city of Galax. This declaration also made available debris removal and emergency protective measures (Categories A and B), including direct federal assistance, under the FEMA Public Assistance program for Bedford, Bland, Buchanan, Carroll, Craig, Dickenson, Giles, Grayson, Montgomery, Pittsylvania, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe Counties and the independent cities of Bristol, Covington, Danville, Galax, Norton, and Radford. Finally, this declaration made Hazard Mitigation Grant Program assistance requested by the Governor available for hazard mitigation measures for the entire Commonwealth.

The Virginia Department of Housing and Community Development (DHCD) will oversee the administration of the CDBG-DR funds. These funds will support disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and public services in the most impacted and distressed areas. Additionally, some mitigation activities may be funded to help communities build resilience against future storms.

Figure 1: Virginia Disaster Declaration Map



Most Impacted and Distressed Areas

HUD-identified Tropical Storm Helene MID Areas

Tropical Storm Helene caused significant damage to Giles and Washington Counties in Virginia. The hurricane brought heavy rain and strong winds, leading to widespread flooding and structural damage. Many homes, businesses, and farm structures were damaged or destroyed. Roads and bridges were also affected, with some collapsing or becoming impassable. According to early FEMA reports, there were also significant agricultural impacts in the region, with farmers faced with substantial losses. It was estimated that over \$126 million in agricultural damages were reported across several counties, including Giles and Washington. Crops, fences, and farm infrastructure were severely impacted.

According to the FEMA Individual Assistance applications, there were 30 owner housing units with major damage or destroyed and less than 20 renter housing units with major damage or destroyed in Giles County. This data shows 30 owner housing units with major damage or destroyed and less than 20 renter housing units with major damage or destroyed within Washington County. There are

over 300 habitability repairs to housing units needed within the localities, which CDBG-DR funding could potentially assist.

Within Giles County, areas hardest hit by flooding from Helene were along the New River where housing was built on some of the flattest terrain in the County. This housing included single family units and manufactured housing units as well as some commercial properties associated with recreational businesses associated with the river. Debris from communities along the New River, including North Carolina, was found in front yards and along the banks of the New River in Giles County. This debris contained hazardous liquids and materials and has been a priority to clean up for the Virginia Department of Emergency Management. The County had found rental housing for the 33 families impacted by the flooding, but housing repairs and reconstruction will be needed.

The Southeastern corner of Washington County was most drastically impacted by flooding as rain fell on mountainous areas and flooded mountain tributaries, which impacted residential, commercial and recreation areas. Impacted housing in Washington County included single family, multi-family, and manufactured housing units as well as many businesses, some of which were located in the Town of Damascus. Flooding impacted almost every business in Damascus and eliminated tourism activities for the fall, which the Town's economy relied upon fully. Taylor's Valley community was completely cut off due to road obstructions and high water. Housing options within this area of Washington County are already limited, and the impacts of Helene further exacerbated the housing shortage.

The communities are working hard to recover from the devastation, and there has been a significant outpouring of support from various organizations.

Washington County, Virginia, indicated in red in Figure 2 (right), includes the following towns:

- Abingdon
- Damascus
- Glade Spring
- Saltville

Figure 2: Washington County



Figure 3: Giles County



Giles County, Virginia, indicated in red in Figure 3 (left), includes the following towns:

- Pearisburg
- Rich Creek
- Narrows
- Pembroke

Grantee-identified MID Areas

As outlined in HUD’s Federal Register Notice, 80% of all CDBG-DR funds will benefit HUD-identified MID areas under zip codes 24124 and 24236 in which DHCD will expend 80% of the CDBG-DR funds in Giles and Washington Counties. DHCD has identified additional MID Areas as those other localities included in the Presidential Disaster Declaration which are not included in the HUD-identified MID areas. These are:

Counties		Cities
• Bedford	• Pittsylvania	• Bristol
• Bland	• Pulaski	• Covington
• Buchanan	• Russell	• Danville
• Carroll	• Scott	• Galax
• Craig	• Smyth	• Norton
• Dickenson	• Tazewell	• Radford
• Grayson	• Wise	
• Montgomery	• Wythe	

The remaining 20% of CDBG-DR funds will be allocated to activities in these DHCD-identified MID areas. These localities were selected according to their inclusion in the FEMA Preliminary Disaster Assessment (PDA)¹ which aims to determine the impact and magnitude of damage and resulting needs of individuals, businesses, the public sector, and the community as a whole. All disaster-impacted areas will be eligible for assistance through the traditional CDBG program as well as through CDBG-DR Grants. Please see the CDBG Program Design Manual for additional details.

¹ FY25 PDA Report FEMA-4831-DR-VA

Overview of the Impacts of the Qualifying Disaster

This event mirrored many worst-case flood scenarios, with multiple days of torrential rainfall interacting with the steep and complex terrain, resulting in widespread damage and record-high river crests along the New River. Severe-to-catastrophic flooding occurred in Southwest Virginia, particularly in Washington, Smyth, Tazewell, and Grayson counties, with up to 10-11 inches of rain over four days constituting a 500-1000-year rainfall event.

The worst flooding occurred in the Town of Damascus and Taylors Valley community (Washington County), where Laurel Creek's sudden and violent rush of high water caused extensive damage to homes, businesses, and infrastructure. The National Weather Service issued Flash Flood Emergencies with Catastrophic Tags for Smyth, Grayson, and Washington counties, indicating life-threatening flash flooding.

Critical infrastructure, such as roads, bridges, energy, communications, and water systems, was compromised, with VDOT reporting damage to 735 roadways, 89 structures, 26 bridges, and 63 culverts. The storm resulted in multiple injuries and unfortunately claimed one life.

The following photographs were obtained from the Virginia Department of Emergency Management (VDEM) and aim to provide a small glimpse of the damage done to Washington and Giles counties.

Figure 4: Overview of Flooding in the Town of Damascus



Figure 5: Destroyed Bridge in the City of Bristol



Figure 6: Flood Damage to Single Family Home and Road in Washington County



Figure 7: Creeper Trail Destruction in the Town of Damascus



Table 2: Disaster Overview

Disaster Summary		
Qualifying Disaster:	Tropical Storm Helene (FEMA-4831-DR-VA)	
HUD-identified MID Areas:	Giles County (ZIP code 24124) & Washington County (ZIP code 24236)	
Grantee-Identified MID Areas	Bedford County Bland County Buchanan County Carroll County Craig County Dickenson County Grayson County Montgomery County Pittsylvania County Pulaski County Russell County	Scott County Smyth County Tazewell County Wise County Wythe County City of Bristol City of Covington City of Danville City of Galax City of Norton City of Radford

Table 3: CDBG-DR Allocation Overview

CDBG-DR Allocation Overview:	
CDBG-DR Allocation:	\$ 40,583,000
CDBG-DR Mitigation Set Aside:	\$ 6,087,000
Total Allocation:	\$ 46,670,000

Unmet Needs and Mitigation Needs Assessments Summary

Table 4: Unmet Needs and Proposed Allocation

Eligible Cost Category	CDBG-DR Allocation Amount	% of CDBG-DR Allocation	% to LMI	% to HUD identified MID Areas	CDBG-DR Mitigation Set-Aside	Estimated % of CDBG-DR Mitigation Set-Aside
Administration	\$2,333,500	5%				
Planning	\$3,720,000	7.97%		8.33%		
Housing	\$18,296,300	39.20%	70%	80%	\$3,043,500	50%
Infrastructure	\$12,174,900	26.09%	70%	96%	\$3,043,500	50%
Economic Revitalization	\$4,058,300	8.70%	70%	97.75%		
Public Services	\$0.00	0%	0%	0%		
CDBG-DR Mitigation Set-Aside	\$6,087,000	13.04% ²	70%	80%		
Total CDBG-DR Allocation	\$46,670,000	100%	70%	80%	\$6,087,000	100%
Percent of Total	100%	100%	70%	80%	15%	100%

² CDBG-DR Mitigation Set Aside (\$6,087,000) is 15% of CDBG-DR Allocation for Unmet Needs (\$40,583,000) but represents 13.04% of the CDBG-DR plus Mitigation total (\$46,670,000).

Unmet Needs Assessment

Housing

Rental and Owner-Occupied Single Family and Multifamily Housing

Housing in Giles and Washington counties had a number of deficiencies prior to the disaster occurrence, which may have contributed to the extent of damage to rental and homeownership units.

The housing supply is generally older in the MID areas than in the rest of the Commonwealth. In Giles and Washington counties, the median build year for owner-occupied units is 1965 and 1978, respectively, while the statewide figure is 1978. Similarly, the median build year for rental units is 1955 in Giles County and 1971 in Washington County, compared to 1971 statewide.³ Given that the age of housing units is correlated with a variety of hazards and risks, these data suggest the presence of a pre-existing need for housing quality improvements in the MID areas.

This conclusion is further supported by the prevalence of housing units with a “poor” quality assessment in these counties. Statewide, 1.11 percent of owner-occupied units are deemed poor quality, while 3.19 percent of Giles County homeowners and 7.66 percent of Washington County homeowners reside in poor quality units. Among rental housing, 3.64 percent of units in Virginia have received a “poor” quality assessment; in Giles and Washington counties, this estimate is 8.43 percent and 17.27 percent, respectively.

More broadly, many areas in Southwest Virginia have clusters of housing that currently lack an acceptable wastewater treatment option. In fact, many households are currently discharging into inadequate septic systems or directly into streams, affecting environmental quality and public health.⁴

Deficiencies in the housing stock within the MID area likely contribute to the above-average vacancy rates in these localities. While the overall vacancy rate in the Commonwealth is approximately 10 percent, 17.5 percent of all units in Giles County and 13.7 percent of Washington County units are vacant.

Lastly, a large share of the population within the MID areas resides in mobile or manufactured housing. In Giles and Washington counties, mobile homes comprise 13.6 percent and 10.6 percent of all housing units, respectively. This data indicates a higher concentration of mobile homes in the affected counties than in the Commonwealth as a whole, where just 5.8 percent of all housing units are mobile homes.

Considering that the pre-Helene housing supply in Giles and Washington counties was older, poorer quality, more vacant, and disproportionately manufactured, there is substantial opportunity for housing rehabilitation activities to improve the quality of units in addition to repairing the acute damage from the disaster event.

³ U.S. Census Bureau 2023 ACS 5-year Estimates

⁴ 2023 Southwest Virginia Comprehensive Regional Wastewater Study

Table 5: Damaged Units by County by Housing Tenure

	Habitability Repairs Required		Major Damage		Destroyed		Total
	Owner	Renter	Owner	Renter	Owner	Renter	
Giles County	73	19	19	≤10	11	≤10	122 - 142
Washington County	182	39	18	≤10	12	≤10	251 - 271
Total	255	58	37	≤20	23	≤20	373 - 413

Table 6: Residences Impacted in the Disaster Declaration Area

	Affected	Minor Damage	Major Damage	Destroyed	Total
Disaster Declaration Area	68	49	125	22	264

Source: FEMA FY25 PDA Report FEMA-4831-DR-VA

Public Housing (Including HUD-assisted Housing) and Other Affordable Housing

According to a 2021 Study by the New River Valley Regional Commission, Giles County struggles to provide sufficient affordable housing. Approximately 21 percent of households (1,462) in Giles County are cost burdened (spending more than 30 percent of their income on housing expenses), while at least 360 of these households are severely cost-burdened (spending more than 50 percent of their income on housing expenses). In Giles, renters are disproportionately cost-burdened, and housing cost burden is concentrated among individuals aged 65 and older.⁵ Considering Giles’ rate of cost burden is the highest among the jurisdictions in the region without large student populations; this locality has a significant pre-existing need for more affordable housing.

Washington County faces a similar need for affordable housing. A 2023 Housing Study by the Mount Rogers Planning District Commission found that 28 percent of renters in Washington County are cost burdened. The locality has nine LIHTC apartment communities that serve moderate income households, which are currently at full capacity with extensive waitlists. Age-restricted affordable apartment communities in the area are scarce, with only one such community that does not offer deep rent subsidies.

DHCD has identified three public housing communities within the disaster declaration area outside Washington and Giles counties. DHCD will continue to work with local Public Housing Authorities (PHAs) to assess the damage to subsidized housing units within the impacted localities.

Emergency Shelters, Interim, and Permanent Housing

Giles County is part of the New River Valley Housing Partnership (NRVHP), the Continuum of Care (CoC) serving this locality, as well as Montgomery, Pulaski, and Floyd counties, as

⁵ Giles County Profile – NRV Regional + Local Housing Study, February 2021

well as the City of Radford. Within this CoC, there are four emergency shelters operating year-round. There are just eight Emergency Housing Vouchers (EHV) awarded to the local housing authority within the service area of NRVHP, and the City of Radford has an additional seven EHVs.

Infrastructure

Prior to the occurrence of Tropical Storm Helene, the infrastructure in Southwest Virginia was deficient in several ways. According to the 2023 Southwest Virginia Comprehensive Regional Wastewater Study, “a significant number of the sanitary sewer systems in Southwest Virginia were constructed in the mid- 1900s and are well over 70 years old.” As sewer systems age and surpass their design life, they begin to quickly deteriorate; this results in collapsed lines, root intrusion, line blockages, increased infiltration and inflow, and decreased system capacity. During wet weather periods and floods, the aging systems quickly fill with rainwater runoff, and sewer system overflows are common. In these events, sewer lines are often buried deeply beneath town streets, sidewalks, and other structures. As such, there is a significant pre-existing need for water and sewer system improvements in the disaster-impacted area which has been exacerbated by the damage inflicted by Tropical Storm Helene.

As previously noted, infrastructure such as roads, bridges, energy, communications, and water systems was compromised in the larger area but concentrated in Washington and Giles counties. For example, numerous private bridges were destroyed by flooding, rendering homes landlocked, and making health and safety inaccessible for households in the area. At the time of peak closures, there were 484 primary and secondary road closures and 118 bridge closures in the disaster-affected area.⁶ A primary broadband line was damaged; for many individuals, this loss of connectivity limits the availability of healthcare and educational resources, threatens economic viability, and precludes access to emergency services. Virginia continues to gather assessment data on the conditions of the impacted infrastructure.

Economic Revitalization

Businesses in Washington and Giles counties have sustained both direct and indirect impacts due to Tropical Storm Helene. The disaster caused extensive damage to the Creeper Trail in the Town of Damascus, a primary tourism attraction in the locality. As a result, the tourism and hospitality industries are likely to suffer some of the greatest losses in the wake of the disaster. According to a 2024 report by the Virginia Tourism Corporation, Southwest Virginia generated 1.3 billion in visitor spending in 2023, increasing 8 percent relative to the previous year.⁷ Considering the trail is one of the top economic drivers in the region, the resulting loss of revenue has adversely affected the livelihood of many small businesses and employees.

Moreover, the Virginia Cooperative Extension estimated that damages to farms and agricultural operations in Southwest Virginia may exceed \$125 million. The losses include livestock, crops, farm buildings, equipment, feed and hay, fences, water cisterns, and other features that were washed away by floodwater and damaged by high winds, falling trees, and debris. According to the Virginia Department of Agriculture and Consumer Services (VDACS), agriculture is Virginia’s largest

⁶ Virginia Secretary of Finance – Briefing to Senate Finance & Appropriations Committee, Oct. 15, 2024

⁷ Virginia Tourism Corporation – 2023 Economic Impact of Visitors in Virginia

private industry. The industry has an economic impact of \$82.3 billion annually and provides more than 381,800 jobs in the Commonwealth. Given the magnitude of damage to this prominent industry, there is likely to be significant need for economic revitalization efforts to assist with recovery in Southwest Virginia.

Virginia continues to work with FEMA and SBA to obtain a more complete picture of the disaster’s economic impacts.

Table 7: Unmet Need: Quantified Disaster Impacts

Cost Categories	A Direct and Indirect Need	B Financial Assistance Budgeted and Obligated	A-B Unmet Need
Rental Housing	\$4,889,956.35	\$1,741,357.73	\$3,148,598.62
Owner-Occupied Housing	\$31,550,575.94	\$14,542,202.49	\$17,008,373.45
Infrastructure	\$46,360,791.37	\$35,025,677.44	\$11,335,113.93
Economic Development	\$3,389,874.08	\$2,542,405.08	\$847,468.50
Total	\$86,191,197.74	\$53,851,642.01	\$32,339,554.50

Mitigation Needs Assessment

To ensure the resilience of Virginia’s homes and communities, it is crucial to rebuild stronger and more resilient structures. In developing a recovery strategy for this specific flood event and the use of CDBG-DR mitigation funding, Virginia will refer to the Virginia Department of Emergency Management’s (VDEM’s) [Hazard Mitigation Plan \(HMP\)](#). This plan outlines goals, objectives, and prioritized actions aimed at reducing damage and injuries caused by natural hazards and details of long-term strategies for addressing the aftermath and ensuring the viability of housing and infrastructure.

The plan emphasizes the importance of collaboration with state and local governments, as well as other stakeholders, to develop and implement effective mitigation solutions. The HMP identifies flooding, winter storms, and severe winds as the hazards presenting the greatest risk to the Planning District Commissions affected by Tropical Storm Helene. storms, and severe winds as the hazards presenting the

Table 8: CDBG-DR Mitigation Set-Aside Needs Assessment

CDBG-DR Mitigation Set-Aside Needs Assessment:			
Categories Affected	A Total Need	B Financial Assistance Budgeted and Obligated	A-B Unmet Need
Housing	TBD	\$3,043,500	TBD
Infrastructure	TBD	\$3,043,500	TBD
Economic Development	0	0	0
Total	TBD	\$6,087,000	TBD

Connection between proposed programs and projects and unmet needs and mitigation needs assessments.

No less than 70% of CDBG-DR funds will be allocated to projects which meet the LMI National Objective. The Housing Recovery program will primarily benefit LMI populations. DHCD aims to conduct an outreach campaign to ensure awareness of and access to resources under this program. Where possible, DHCD will provide accommodation to ensure that all eligible households have an opportunity to receive CDBG-DR assistance.

Minimizing Displacement of Persons or Entities

The Commonwealth of Virginia is committed to minimizing displacement and ensuring that all persons and entities affected by CDBG-DR activities receive appropriate assistance and protections. DHCD will prevent displacement where feasible, support those who are displaced, and ensure accessibility for persons with disabilities.

Minimizing Displacement: DHCD will take all reasonable steps to minimize the displacement of individuals, families, businesses, and nonprofit organizations due to CDBG-DR funded activities. This may include the following:

- Utilizing adaptive reuse and in-place reconstruction to keep residents and businesses within their communities, where appropriate.
- Phasing construction and redevelopment projects to allow continued occupancy, when safe and practical.
- Conducting public engagement efforts to inform affected parties early and provide options for remaining in or near their communities.

Assistance for Displaced Persons and Entities: In cases where displacement is unavoidable, DHCD will provide assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and other applicable federal and State requirements. Support services may include:

- Relocation assistance, including financial support for moving costs, rental assistance, or down payment assistance for permanently displaced persons.
- Housing counseling services to assist displaced households in identifying and securing suitable alternative housing.
- Coordination with local housing authorities and nonprofit agencies to expand access to affordable housing options.
- Advance notification and advisory services to ensure that displaced persons and entities have ample time to secure new accommodation and support.

Ensuring Accessibility for Persons with Disabilities: Virginia is committed to ensuring that displaced persons with disabilities receive equal access to relocation assistance and that new housing, infrastructure, and public facilities meet or exceed accessibility requirements. This may include:

- Providing reasonable accommodations and modifications for displaced individuals with disabilities to ensure access to new housing and essential services.
- Ensuring that all relocation assistance materials, notifications, and counseling services are available in accessible formats, including large print, braille, and digital text compatible with screen readers, as appropriate.

Allocation and Award Caps

DHCD is the lead agency and responsible entity for administering \$46,670,000 in CDBG-DR funds allocated for Helene recovery efforts and will serve as the Responsible Entity, assuming the authority for decision-making and completion of the environmental review per [24 CFR 58.4](#). The CDBG-DR funding available to address unmet needs will be allocated to program categories outlined in the table below:

Table 9: CDBG-DR Program Allocation and Funding Thresholds

Eligible Cost Category	Unmet Need	% of Unmet Need	% of Funding to be Expended in HUD-Identified MID	CDBG-DR Allocation Amount	% of CDBG-DR Allocation (Excluding the 15% Mitigation Set-Aside)
Administration (5% cap)				\$2,333,500	5.75%
Planning (15% cap)			8.33%	\$3,720,000	9.17%
Rental & Owner-Occupied Housing	\$18,296,300	100%	80%	\$18,296,300	45.08%
Infrastructure	\$12,174,900	100%	96%	\$12,174,900	30%
Economic Revitalization	\$4,058,300	100%	97.75%	\$4,058,300	10%
Total (excluding Mitigation Set Aside)	\$40,583,000	100%	80%	\$40,583,000	100%

Funding Criteria

The following sections describe the programs to be funded with CDBG-DR resources and the relevant criteria for each program. The funding criteria for each CDBG-DR program include the method of distribution, the criteria to be used in sub-granting funds, and the relative importance of each, as well as any relevant per-unit or per-project caps that apply.

General Exception Criteria

DHCD will make exceptions to the maximum award amounts for CDBG-DR programs when necessary, in order to comply with federal accessibility standards or to reasonably accommodate

persons with disabilities. DHCD reserves the right to make exceptions to the maximum award amounts for CDBG-DR programs in other cases, including, but not limited to, projects with a well-documented critical need and without additional funding sources.

Administration

Table 10: Grantee Administration Activity Overview

Eligible Cost Category	CDBG-DR Allocation Amount	% of CDBG-DR Allocation
Administration Total:	\$2,333,500	5%

DHCD will use funds to support training, technical assistance, and salaries for additional staff required to administer these grants. DHCD intends to hire up to two additional FTE to administer the CDBG-DR programs.

Planning

The Virginia Department of Housing and Community Development acknowledges that disaster recovery is a shared responsibility involving entire communities and will affect community well-being, housing, economic, and infrastructure outcomes, as well as preparedness, for years to come. Communities across Southwest Virginia impacted by Tropical Storm Helene will benefit from long-term resilience planning to ensure recovery solutions that protect life, property, and the natural environment from future hazards.

Table 11: Grantee Planning Activity Overview

Eligible Cost Category	CDBG-DR Allocation Amount	% of CDBG-DR Allocation
Recovery Planning Program	\$3,720,000	7.97%
Planning Total:	\$3,720,000	7.97%

Virginia Recovery Planning Program

Program Title: Virginia Recovery Planning Program

Total Budget/CDBG-DR Allocation: \$3,720,000

Eligible Activity(ies): Funds to support the development and capacity building consistent with 24 CFR §570.205, and the Housing and Community Development Act of 1974 Section 105 (a)(14).

National Objective(s): Funds used for planning activities for the development of community plans are part of the allowable fifteen percent (15%) planning cap of the Community Development Block Grant-Disaster Recovery (CDBG-DR) funds. Per the Universal Notice updated by HUD on March 19, 2025, eligible planning activities will be considered to address national objectives (in compliance with 24 CFR 570.208(d)(4)).

Lead Agency and Distribution Model: Subrecipient Distribution

Program Description: This program provides planning or capacity-building services to local governments or their administrators to assist in meeting the community’s mitigation, adaptation, and long-term recovery goals. The program is intended to support the reduction of long-term risk and increase local resilience through community education, administrative capacity building, development of planning tools, and implementation of recovery planning efforts.

Eligible Geographic Areas: This program will be administered in the two (2) HUD-identified disaster areas of Washington County and Giles County, as well as to the twenty-two (22) communities within the DHCD-identified MID areas – those outside of the HUD-declared MID areas and included in a locality within the disaster declaration area for Tropical Storm Helene.

Other Eligibility Criteria: Regional Planning District Commissions are eligible to administer regional recovery planning activities under this program.

Maximum Amount of Assistance Per Beneficiary: The maximum award is equal to the program allocation.

Maximum Income of Beneficiary: NA

Mitigation Measures: This program will incorporate existing local, regional, and state mitigation plans into comprehensive recovery plans.

Reducing Barriers for Assistance: DHCD anticipates coordinating with local and regional governments to identify and mitigate barriers to providing assistance. When applicable, DHCD may use existing disaster waivers to address requirements that may unintentionally limit access to CDBG-DR resources.

Housing

The Commonwealth of Virginia, through the Department of Housing and Community Development (DHCD), proposes an amended Housing Program structure to address remaining housing needs resulting from Tropical Storm Helene. The program redesign focuses on restoring disaster-impacted housing stock across owner-occupied and rental units, emphasizing resiliency and administrative efficiency.

This amendment consolidates resources from the former Public Services and Planning activities into a single, standardized Housing Program. The approach allows DHCD to manage a state-administered housing initiative while providing localities the opportunity to opt out and self-administer, contingent upon a capacity assessment.

Housing Programs Overview⁸

Table 12: Grantee Housing Programs Overview

Eligible Cost Category	CDBG-DR Allocation Amount	% of CDBG-DR Allocation for LMI Benefit
Rental & Owner-Occupied Housing Recovery Program	\$18,296,300	70%
Housing Program Total:	\$18,296,300	70%
Housing Program Total (Including Mitigation Set-Aside):	\$21,339,800	70%

Housing Recovery Program

Program Title: CDBG-DR Housing Recovery Program (State-Administered with Local Opt-Out)

Total Budget/CDBG-DR Allocation: \$18,296,300 (plus \$3,043,500 mitigation set-aside)

Eligible Activity(ies): The DHCD CDBG-DR Housing Recovery Program aims to restore and improve housing stock in areas affected by the disaster event. Eligible Activities include, but are not limited to:

⁸ This amendment increases the Housing Program allocation by \$3,280,590 (from \$15,015,700 to \$18,296,300) through (1) the elimination of Public Services and (2) a \$2,367,450 transfer from Planning funds. An additional \$3,043,500 in mitigation funds are integrated into the Housing Program to support elevation, floodproofing, and hazard-resilient construction.

Table 13: Housing Recovery Eligible Activities and Statutory References

Eligible Activity	Statutory Reference/Authority
Acquisition	§5305(a)(1)
Code Enforcement	§5305(a)(3)
Clearance/Rehabilitation /Reconstruction	§5305(a)(4)
Private Bridges/Driveways	"Private access bridges and driveways are repaired only when necessary to access the home for rehabilitation or reconstruction." 42 U.S.C. 5305(a)(4); FR-6489-N-01 § III.D.5 (Housing Activities and Standards - associated site improvements necessary to restore housing)
Removal of Architectural Barriers	§5305(a)(5)
Public Services (Related to Housing)	§5305(a)(8)
Relocation Payments	§5305(a)(11)
Administrative Costs	§5305(a)(13)
Direct Homeownership Assistance	§5305(a)(24)
Insurance Assistance	§5305(a)(22); § III.D.5 (Housing Activities and Standards)
Lead-based Paint Hazard Reduction	§5305(a)(26)
Mitigation Measures	§5305(a); HUD FR-6489-N-01 § III.D.4
Elevation of Structures	§5305(a)(4); §III.D.4
Installation of Generators	§5305(a)(2); §5305(a)(4) + §III.D.4
Installation of Sump Pumps	§5305(a)(4); § III.D.4
Weatherization Improvements	§ 5305(a)(4); §5305(a)(16)(B)

National Objective(s):

- Benefit to low- and moderate-income persons – Low Mod Housing Activities (LMH)⁹
- Aid in the prevention or elimination of slums or blight (ESB)
- Urgent Need

Lead Agency and Distribution Model:

DHCD will administer a single statewide program. Localities may request to self-administer upon passing a capacity assessment and executing a Subrecipient Agreement. DHCD retains oversight authority for all programs.

⁹ 24 CFR 570.483(b)(3)

Program Description:

The DHCD CDBG-DR Housing Recovery Program is designed to restore safe, decent, and resilient housing for households impacted by Tropical Storm Helene. DHCD will implement a state-administered program to ensure consistent standards, efficient delivery, and compliance across all jurisdictions. Localities within the disaster area may request to self-administer their recovery activities, subject to a DHCD capacity assessment and execution of a Subrecipient Agreement. This approach standardizes program guidelines, forms, and processes while allowing limited flexibility to address local conditions at DHCD's discretion.

Beneficiaries include homeowners whose primary residences were damaged or destroyed by Tropical Storm Helene, as well as renters displaced from unsafe or uninhabitable units. The program focuses on returning households to permanent and code-compliant housing through eligible activities such as rehabilitation, reconstruction, replacement of existing or destroyed units, and, where appropriate, new construction. Funding may also support the rehabilitation of LMI Housing units and comprehensive neighborhood improvement projects, including reconstruction and demolition. To promote long-term recovery and reduce the risk of further damage, the program incorporates mitigation measures such as elevation and home hardening.

Eligible Geographic Areas: This program will be administered in HUD-identified disaster areas in Washington County and Giles County. Up to 20% of funds under this program may be allocated to communities within the DHCD-identified MID area – those outside of the HUD-declared MID areas and included in a locality within the disaster declaration area for Tropical Storm Helene.

Other Eligibility Criteria: Projects must not duplicate federal benefits. All applicants must document damage attributable to Tropical Storm Helene and meet CDBG-DR income eligibility requirements.

Maximum Amount of Assistance Per Beneficiary: \$125,000 per rehabilitation and \$150,000 per unit for substantial reconstruction or new construction. DHCD may adjust limits to reflect market conditions or HUD guidance. For maximum award limits by project type, please see Table 25 in Appendix C.

Maximum Income of Beneficiary: For a housing recovery project to be eligible to receive CDBG-DR funds, 70 percent of program funds will benefit households meeting LMI criteria (< 80 percent AMI). Remaining activities may qualify under the Urgent Need objective. See Appendix A for 2024 Income Limits.

LMI and Prioritization: To maximize impact and ensure compliance with HUD's guidance, DHCD will prioritize assistance for:

- Households below 60% of AMI
- Households with elderly residents age 62+
- Households with children under 18
- Households that include persons with disabilities or accessibility needs.

Mitigation Measures: The Commonwealth of Virginia recognizes the critical link between housing recovery and mitigation. Integrating mitigation measures within the housing program ensures that homes rebuilt or rehabilitated with CDBG-DR funds are more resilient to future hazards. This

coordinated approach not only reduces long-term recovery costs but also protects vulnerable low- and moderate-income households that are disproportionately affected by disasters.

DHCD’s housing rehabilitation and reconstruction standards include provisions that will incorporate resilience and hazard mitigation measures, such as building outside of existing floodplains and at higher elevations. The mitigation set-aside of \$3,043,500 will be embedded within the Housing Recovery Program as mitigation scopes to eligible housing activities to fund elevation, floodproofing, and site hardening. DHCD will not operate a stand-alone mitigation program; instead, mitigation will be integrated as a required design component in all applicable housing projects. DHCD and local partners will ensure that mitigation efforts provided will lessen the impact of future disasters through the use of existing best practices.

This approach aligns with HUD CDBG-DR guidance that emphasizes “resilient recovery,” rebuilding stronger and smarter to prevent future loss.

Reducing Barriers for Assistance: DHCD anticipates coordinating with local and regional governments to identify and mitigate barriers to providing assistance. When applicable, DHCD may exercise the use of existing disaster waivers for requirements that may unintentionally limit access to CDBG-DR resources. DHCD pre-approves programmatic guidelines from each subrecipient and will examine each of these documents to identify any potential barriers to assistance.

Program Implementation Approach

DHCD’s state-administered framework ensures uniform compliance with HUD requirements while providing a consistent experience for applicants. By standardizing guidelines, forms, and construction requirements, the Commonwealth reduces redundancy and accelerates delivery of funds to households most in need. Localities that opt out to self-administer will operate within DHCD’s approved framework and under its oversight to maintain program integrity.

Table 14: Local Participation and Capacity Assessment Pathways

Pathway	Admin Entity	Requirements	Oversight & Compliance
Direct Administration	DHCD (State Grantee & Responsible Entity)	Default delivery model for all MID and non-MID localities that do not opt out.	DHCD oversees procurement, intake, construction, and reporting.
Subrecipient Administration	Locality or Planning District Commission	Successful completion of capacity assessment and execution of Subrecipient Agreement.	DHCD monitors program performance and compliance with CDBG-DR requirements.
Hybrid Support	DHCD + Local Partner	Case-by-case technical assistance for localities with partial capacity or limited staff.	Shared reporting structure; DHCD retains final draw approval authority.

Mitigation and Resilience

All activities under this program will incorporate mitigation measures consistent with the HUD Universal Notice (FR 6489 N 01 Section III.D.4) and the Commonwealth of Virginia’s Resiliency Standards, including those outlined in Virginia’s Executive Order 24 (2018) “Increasing Virginia’s Resilience to Sea Level Rise and Natural Hazards” and the Virginia Flood Risk Management Standard adopted by the Department of Conservation and Recreation in 2021. Eligible measures include elevating structures above base flood elevation, strengthening foundations and structural systems, implementing floodproofing or hardening techniques, and, when feasible, locating reconstruction or replacement housing outside areas prone to flooding or repeated loss.

These actions reduce long-term risk to life and property, promote climate-adaptive design, and support sustainable and hazard-resilient recovery for impacted communities, in alignment with Virginia’s Resilient Virginia Framework and HUD’s mitigation and resilience objectives.

This prioritization framework supports the state’s commitment to balanced recovery and fair access to CDBG-DR resources.

Table 15: Compliance Summary

Requirement	Commitment
Total Program Funding	\$18,296,300
LMI Benefit	Minimum 70% of Housing Program funds to benefit LMI households
HUD-MID Expenditure	≥80% of funds within HUD-identified MID areas (Washington & Giles Counties)
National Objectives	LMI and Urgent Need (UN)
Fair Housing/AFFH	Program policies will ensure accessibility and language access for all qualified households.
Transparency and Reporting	Amendment and QPRs posted to the DHCD website; all activities reported through DRGR.

Infrastructure

The CDBG-DR Infrastructure Recovery Program restores critical public infrastructure damaged by Tropical Storm Helene and strengthens systems to reduce future risk. The program focuses on repairing, replacing, or reconstructing essential community assets, including water and wastewater systems, drainage systems, roads, bridges, and public facilities. Projects must show a clear tie back to the disaster impacts and prioritize long-term resilience and service to low- and moderate-income residents.

Infrastructure Programs Overview

Table 16: Grantee Infrastructure Programs Overview

Eligible Cost Category	CDBG-DR Allocation Amount	% of CDBG-DR Allocation for LMI Benefit
Infrastructure Recovery Program	\$12,174,900	70%
Infrastructure Program Total:	\$ 12,174,900	70%
Infrastructure Program Total (Including Mitigation):	\$15,218,400	70%

DHCD Infrastructure Program

Program Title: CDBG-DR Infrastructure Recovery Program

Total Budget/CDBG-DR Allocation: \$12,174,900 (plus \$3,043,500 mitigation set-aside)

Eligible Activity(ies): Where possible, DHCD intends to address most of its unmet infrastructure needs by utilizing multiple sources of funding. DHCD proposes utilizing local and regional partners to focus on infrastructure activities that rebuild or replace infrastructure impacted by Tropical Storm Helene. In order to promote long-term recovery and limit damage from future disasters, this program will include mitigation measures. Eligible activities for infrastructure projects generally include:

Table 17: Eligible Activities and Statutory References

Eligible Activity	Statutory Reference/Authority
Water, Wastewater, and Drainage Improvements	§5305(a)(2)/CDBG Eligible Public Improvements
Roads, Streets, and Bridges	§5305(a)(2)
Community Service Facilities (Serving LMI persons)	§5305(a)(2)
Other eligible infrastructure activities	§5305(a)(2)
Administrative Costs	§5305(a)(13)

DHCD recognizes the importance of prioritizing resilient infrastructure and using reliable technology to mitigate the effects of disaster-related events.

National Objective(s):

- Benefit to low- and moderate-income persons
- Aid in the prevention or elimination of slums or blight (ESB)
- Urgent Need

Lead Agency and Distribution Model: DHCD will allocate the CDBG-DR Infrastructure Recovery Program through a competitive application process to select among eligible project applications submitted by units of local government in the HUD-identified MID and the DHCD-identified MID areas. Awards will be made based on the previously identified allocation priorities (e.g., 80 percent HUD-identified MID and 70% LMI) and based on the following scoring criteria:

- Applications must score a minimum of 60 of 100 points
- Subrecipient capacity: 30 points
- Need: 40 points
- Project feasibility: 30 points

Subrecipients will be required to meet public hearing, procurement, reporting, and the prevention of the duplication of benefits requirements. Please see the Financial and Grant Management Certifications attachment for more details.

Program Description: Funding in this program can be used to address a wide range of community recovery and infrastructure needs, including engaging in projects that restore, repair, rebuild, or make more resilient public assets that were impacted by Helene. Infrastructure-related funding will be available in the form of grants and will be prioritized as outlined in the unmet needs assessment to provide safe infrastructure to residents in the affected areas. The goal of the program is to rebuild the necessary infrastructure to assist in community recovery, such as roads, bridges, and water management infrastructure. Infrastructure projects must demonstrate a “tie-back” to Tropical Storm Helene.

Eligible Geographic Areas: This program will be administered in HUD-identified disaster areas of Washington County and Giles County. Up to 20% of funds under this program may be allocated to communities within the DHCD-identified MID area – those outside of the HUD-declared MID areas and included in a locality within the disaster declaration area for Tropical Storm Helene.

Other Eligibility Criteria: Subrecipients must follow DHCD program guidelines and all applicable state and federal requirements, including requirements for citizen participation, procurement, reporting, and the prevention of duplication of benefits.

Maximum Amount of Assistance Per Beneficiary: Per beneficiary, cost limits will be determined based on project size. For maximum award limits by project type, please see Table 25 in Appendix C.

Maximum Income of Beneficiary: For a project to be eligible to receive CDBG-DR funds, at least 70 percent of the beneficiaries of proposed activities must be from LMI households. Please see Appendix A for 2024 Income Limits.

Mitigation Measures: DHCD recognizes the need to build resilient and durable infrastructure. Mitigation measures will be implemented after the most cost-effective option is determined to mitigate against future disasters. Building resilient infrastructure provides communities with security and reduces the financial impact of future disasters.

Reducing Barriers for Assistance: DHCD anticipates coordinating with local and regional governments to identify and mitigate barriers to providing assistance. When applicable, DHCD may exercise the use of existing disaster waivers for requirements that may limit access to CDBG-DR resources. DHCD pre-approves programmatic guidelines from each subrecipient and will examine each of these documents to identify any potential barriers to assistance.

Table 18: Compliance Summary

Requirement	Commitment
Total Program Funding	\$12,174,900
LMI Benefit	Minimum 70% of Infrastructure Program funds to benefit LMI beneficiaries
HUD-MID Expenditure	≥80% of funds within HUD-identified MID areas
National Objectives	LMI, slums and blight, or Urgent Need
Tie Back	Required for all projects funded under the recovery allocation

Economic Revitalization

The CDBG-DR Economic Revitalization Recovery Program supports the recovery of commercial areas affected by Tropical Storm Helene by funding activities that restore business operations, reduce physical and economic blight, and protect local jobs. Eligible uses may include development readiness, façade improvements, site redevelopment where sites were rendered unmarketable or unable to recover from the disaster, small business recovery assistance through loans or grants, and job creation, retention, and training. The program prioritizes benefits for low- and moderate-income individuals and focuses assistance on the most impacted communities.

Economic Revitalization Programs Overview

Table 19: Grantee Economic Revitalization Programs Overview

Eligible Cost Category	CDBG-DR Allocation Amount	% of CDBG-DR Allocation for LMI Benefit
Economic Revitalization Recovery Program	\$4,058,300	70%
Economic Revitalization Program Total:	\$4,058,300	70%

DHCD Economic Revitalization Program

Program Title: CDBG-DR Economic Revitalization Recovery Program

Total Budget/CDBG-DR Allocation: \$4,058,300

Eligible Activity(ies): The CDBG-DR Economic Revitalization Recovery Program will focus on creating economic opportunities for those impacted by Tropical Storm Helene. Eligible activities under the Economic Revitalization Program include, but are not limited to:

Table 20: Eligible Activities and Statutory References

Eligible Activity	Statutory Reference/Authority
Development Readiness – Activities that will result in the creation of business and job opportunities primarily benefiting low- and moderate-income persons	§5305(a)(14) Special Economic Development Activities; §5305(a)(17) Microenterprise Assistance
Façade Improvements – Activities that will remove physical and economic blight to improve downtown facades and restore business districts.	§5305(a)(2) Public Facilities or Improvements; §5305(a)(4) Clearance or Remediation as applicable;
Site Redevelopment – Activities will target and develop sites rendered unmarketable or unusable by Tropical Storm Helene, with the	§5305(a)(2) Public Improvements; §5305(a)(4) Clearance/Rehabilitation; §5305(a)(14) Special Economic Development Activities

goal of improving economic value and increasing investment in the area.	
Small Business Recovery Assistance – Activities aimed at providing financial assistance, such as loans or grants, to small businesses that were negatively impacted by the disaster event.	§5305(a)(14) Special Economic Development Activities; §5305(a)(17) Microenterprise Assistance
Job Creation, Retention, and Training – Develop programs to create and retain jobs for community members affected by the disaster.	§5305(a)(14) Special Economic Development Activities, including training and working capital, when tied to jobs; §5305(a)(15) Employment Training
Administrative Costs	§5305(a)(13) Program Administration

National Objective(s):

- Benefit to low- and moderate-income persons – Job Creation or Retention Activities¹⁰
- Benefit to low- and moderate-income persons – Area Benefit Activities¹¹

Lead Agency and Distribution Model:

DHCD will award the allocation for the CDBG-DR Economic Revitalization Recovery Program through a competitive application process. Eligible project applications must originate from units of local government in the HUD-identified MID and the DHCD-identified MID areas. Awards will be made based on the previously identified allocation priorities (e.g., 80 percent HUD-identified MID and 70% LMI) and based on the following scoring criteria:

- Applications must score a minimum of 60 of 100 points
- Subrecipient capacity: 30 points
- Need: 40 points
- Project feasibility: 30 points

Subrecipients must follow DHCD program guidelines and all applicable state and federal requirements, including requirements for citizen participation, procurement, reporting, and the prevention of duplication of benefits. Please see the Financial and Grant Management Certifications attachment for more details.

Program Description: Small businesses are the lifeblood of local economies throughout the state. This can include typical small shops and restaurants in communities’ commercial districts, often the central hub of small and rural communities. Wind and flood events can damage structures, destroy physical locations, and cause significant financial loss. Impacts on specific businesses

¹⁰ 24 CFR 570.483(b)(4)

¹¹ 24 CFR 570.483(b)(1)

may filter throughout the commercial area, as a few businesses unable to reopen after the disaster may reduce visitors to the commercial district, which then impacts the viability of the remaining businesses. Supporting the recovery of commercial areas is essential to ensure that commercial tenants, customers, and jobs are restored. Recognizing this impact, DHCD will create a program for eligible subrecipients to revitalize designated commercial districts damaged by Tropical Storm Helene. By facilitating the return of commercial districts and businesses to profitability, jobs will be created or retained within the community, and residents will continue to have access to the products and services they need within their local community.

Eligible Geographic Areas: This program will be administered in HUD-identified disaster areas in Washington County and Giles County. Up to 20% of funds under this program may be allocated to communities within the DHCD-identified MID area – those outside of the HUD-declared MID areas and included in a locality within the disaster declaration area for Tropical Storm Helene.

Other Eligibility Criteria: Subrecipients must follow DHCD program guidelines and all applicable state and federal requirements, including requirements for citizen participation, procurement, reporting, and the prevention of duplication of benefits.

Maximum Amount of Assistance Per Beneficiary: Per beneficiary, cost limits will be determined based on the project and project size. For maximum award limits by project type, please see Table 25 in Appendix C.

Maximum Income of Beneficiary: For a project to be eligible to receive CDBG-DR funds, at least 70 percent of the beneficiaries of proposed activities must be from LMI households. Please see Appendix A for 2024 Income Limits.

Mitigation Measures: This activity will not incorporate any mitigation measures.

Reducing Barriers for Assistance: DHCD anticipates coordinating with local and regional governments to identify and mitigate barriers to providing assistance. When applicable, DHCD may exercise the use of existing disaster waivers for requirements that may unintentionally limit access to CDBG-DR resources. DHCD pre-approves programmatic guidelines from each subrecipient and will examine each of these documents to identify any potential barriers to assistance.

Table 21: Economic Revitalization Compliance Summary

Requirement	Commitment
Total Program Funding	\$4,058,300
LMI Benefit	Minimum 70% of Economic Revitalization funds to benefit LMI beneficiaries
HUD-MID Expenditure	≥80% of funds within HUD-identified MID areas
National Objectives	LMI Job Creation or Retention and the LMI area benefit
Tie Back	Required for all projects funded under recovery allocation

CDBG-DR Mitigation Set-Aside

The CDBG-DR Mitigation Set-Aside is not a standalone program. The set-aside is incorporated into the Commonwealth’s existing CDBG-DR programs and delivered as embedded mitigation scopes within the Housing Recovery Program and the Infrastructure Recovery Program. This approach ensures mitigation activities directly strengthen projects already addressing documented recovery needs while advancing long-term risk reduction and resilience.

CDBG-DR Mitigation Set-Aside Overview

Allocation and Split

The total mitigation set-aside is \$6,087,450. The set-aside is split evenly, with one half allocated to the Housing Recovery Program and the other to the Infrastructure Recovery Program. Housing receives \$3,043,725, and infrastructure receives \$3,043,725.

Table 22: CDBG-DR Mitigation Set-Aside Allocation Summary

Eligible Cost Category	% of Funding to be Expended in HUD and Grantee-Identified MID	CDBG-DR Mitigation Set-Aside Allocation Amount	% of CDBG-DR Allocation Mitigation Set-Aside ¹²
Planning (15% cap)	0%	\$ -	0%
Housing	80%	\$3,043,500	50%
Infrastructure	80%	\$3,043,500	50%
Economic Revitalization	0%	\$0	0%
Total	80%	\$6,087,000	100%
Funds that have not been allocated:		N/A	N/A
Total CDBG-DR Allocation (All Recovery + Mitigation Funds)		\$46,670,000	N/A

¹² At a minimum, grantees are required to spend 15% of their unmet needs on CDBG-DR Mitigation Set-Aside activities. HUD assumes that grantees will spend well over this amount as they integrate mitigation measures into their recovery activities. Grantees should only look at the 15% CDBG-DR Mitigation Set-Aside as a cap for the activities a grantee does not have the ability to demonstrate a tieback to the disaster.

Table 23: Grantee CDBG-DR Mitigation Set-Aside Overview

Eligible Cost Category	CDBG-DR Mitigation Set Aside Allocation Amount	% of CDBG-DR Allocation for LMI Benefit	Does this Program have a tie back to the disaster?
CDBG-DR Housing Mitigation Program	\$3,043,500	70%	No
CDBG-DR Infrastructure Mitigation Program	\$3,043,500	70%	No
Total:	\$6,087,000	70%	No

Delivery Framework

Mitigation activities are selected and implemented through the same lead agency, eligibility, and compliance framework established for the receiving program. For housing, mitigation scopes are added to eligible housing projects, such as elevation and resilience upgrades. For infrastructure, mitigation scopes are added to eligible public facilities and improvements that measurably reduce risk. See the program-specific eligible activities tables below for details and statutory authority.

Grantee CDBG-DR Mitigation Set-Aside - Housing

Total Budget/CDBG-DR Allocation: \$3,043,500

Eligible Activity(ies): The mitigation set-aside will protect housing units from future disaster events through the CDBG-DR Housing Recovery Program. Eligible activities under the Mitigation set-aside allocation include, but are not limited to:

Table 24: Housing Mitigation Set-Aside Eligible Activities and Statutory References

Eligible Activity	Statutory Reference/Authority
Elevation of residential structures	FR-6489-N-01 §III.D.4 (Mitigation and Resilience) + 42 U.S.C §5305(a)(4)
Installation of generators (residential)	FR-6489-N-01 §111.D.4 + 42 U.S.C. §5305(a)(4)
Installation of sump pumps/backflow preventers	FR-6489-N-01 §111.D.4 + 42 U.S.C. §5305(a)(4)
Weatherization improvements to owner-occupied and rental units (insulation, windows/doors, roof sealing, HVAC efficiency)	42 U.S.C. §5305(a)(16)(B); 24 CFR §570.202(a)(4) (rehabilitation and preservation)
Housing rehabilitation, reconstruction, or construction where allowed by the Notice	42 U.S.C. §5305(a)(4); FR-6489-N-01 §111.D.4 (mitigation scopes)
Private bridges/driveways, when necessary, to ensure safe access to a dwelling as a mitigation measure	FR-6489-N-01 §III.D.4 (mitigation set-aside flexibility); §5305(a)(2) Public Facilities and Improvements

National Objective:

- Benefit to low- and moderate-income persons – Low Mod Housing Activities (LMH)¹³
- Aid in the prevention or elimination of slums or blight (ESB)
- Urgent Need

See the CDBG-DR Housing Recovery program description and method of distribution.

Mitigation Measures: DHCD’s housing rehabilitation and reconstruction standards include provisions that will incorporate resilience and hazard mitigation measures, such as building outside of existing floodplains and at higher elevations. DHCD and local partners will ensure that mitigation efforts provided will lessen the impact of future disasters through the use of existing best practices.

¹³ 24 CFR 570.483(b)(3)

Grantee CDBG-DR Mitigation Set-Aside - Infrastructure

Total Budget/CDBG-DR Allocation: \$3,043,500

Eligible Activity(ies): The mitigation set-aside set will protect local infrastructure from future disaster events through the CDBG-DR Infrastructure Recovery Program through the following eligible activities:

Table 25: Infrastructure Mitigation Set-Aside Eligible Activities and Statutory References

Eligible Activity	Statutory Reference/Authority
Water, wastewater, and drainage improvements (e.g., culvert upsizing, pump-station hardening, I/I reduction, detention or green infrastructure)	42 U.S.C. §5305(a)(2); 24 CFR §570.201(c) (public facilities and improvements)
Street and transportation improvements that reduce flood/erosion risk (e.g., roadway elevation, slope stabilization, bridge/culvert replacement)	42 U.S.C. §5305(a)(2); 24 CFR §570.201(c)
Community service facilities primarily serving LMI persons (utility hardening for clinics, shelters, senior centers, emergency comms)	42 U.S.C. §5305(a)(2); 24 CFR §570.201(c)
Other eligible public infrastructure identified in related recovery plans that measurably reduces future disaster risk	42 U.S.C. §5305(a)(2); 24 CFR §570.201(c); mitigation framing under FR-6489-N-01 §III.D.4

The eligible DHCD recognizes the importance of prioritizing resilient infrastructure and using reliable technology to mitigate the effects of disaster-related events.

National Objective:

- Benefit to low- and moderate-income persons
- Aid in the prevention or elimination of slums or blight (ESB)
- Urgent Need

See the CDBG-DR Infrastructure Recovery program description and method of distribution.

Mitigation Measures: DHCD recognizes the need to build resilient and durable infrastructure. Mitigation measures will be implemented after being determined as the most cost-effective option to mitigate future disasters. Building resilient infrastructure provides communities with security and reduces the financial impact of future disasters.

General Information

Citizen Participation

In developing the CDBG-DR Action Plan, DHCD will comply with all HUD requirements for citizen participation and aims to follow the transparent processes and any process adopted by HUD.

Consultation of Developing the Action Plan

Table 26: Citizen Participation Consultations

Partners Consulted	Describe Consultation
Federal Partners (FEMA, SBA)	To date, DHCD has Co-Led the Post Disaster Housing Task Force bringing over 20+ state agencies and many federal agencies including FEMA, HUD, USDA, SBA, and EDA. This task force has served in conjunction with the Office of Recovery and Rebuilding to establish routine conversations with federal partners on disaster recovery efforts in the impacted areas including coordination through FEMA’s Interagency Recovery Coordination Branch Chief. SBA, EDA, and USDA are all in conversation with the Office of Recovery and Rebuilding and DHCD to coordinate recovery efforts and eliminate duplication of benefits.
Local/State Government	DHCD has contacted and communicated continually with the affected local governments as well as the regional planning commission partners supporting those local governments. Washington County and Giles County have been contacted, and DHCD is working closely with the Mount Rogers Planning District Commission and the New River Valley Regional Commission for coordination of relief efforts from state and federal funded sources.
Indian Tribes	There are no state or federally recognized tribes in the impacted area. However, communications through tribal channels have been established in an effort to maximize the outreach of relief efforts.
Nongovernmental organizations	Many Non-profits are actively working on homes or bridges and coordinating relief efforts daily in the impacted area. These organizations are in communication with the Office of Recovery and Rebuilding and with the units of local government to maximize potential federal funding that can further assist or match their ongoing efforts.
Private sector	The private sector has played a major role in offering supplies and volunteer efforts in the early stages of the relief effort. They remain active partners in the communication channels but have a minimal role at this time other than donated supplies or efforts for specific activities.
State and local emergency	DHCD has been working in close coordination with the Virginia Department of Emergency Management and all of their local

management agencies that have primary responsibility for the administration of FEMA funds	emergency manager contacts to create a communication channel for unmet needs. All of the FEMA IA funding has been applied for, and that program has closed, while PA applications are still being accepted. DHCD is working closely with the impacted areas to think through the PA applications and their potential impacts on CDBG-DR funding.
Agencies that manage local Continuum of Care	DHCD manages the COCs and the balance of state and has been in communication with the organizations that manage shelters and operations in the impacted areas.
Public Housing Agencies	The PHAs have been notified and included in conversations as part of the post disaster housing task force through the state financing agency – Virginia Housing. Their part or role in the relief efforts has been localized as of current, but they stand ready to assist as an opportunity arises.
HUD-approved housing counseling agencies	The housing counseling agencies have been notified and included in conversations as part of the post disaster housing task force through the state financing agency – Virginia Housing. Their part or role in the relief efforts has been localized as of current, but they stand ready to assist as an opportunity arises.

Public Comments

The Commonwealth will consider any comments or views of constituents received in writing, or orally at public hearings in preparing the Consolidated Plan. DHCD will afford a period of at least 30 days to collect public comments on drafts of the Consolidated Plan and any substantial amendments to the Plan as adopted. Written comments must be submitted online at www.dhcd.virginia.gov/consolidated-plan, via email at feedback.ppc@dhcd.virginia.gov or mailed to:

Virginia Department of Housing and Community Development
Office of Program Policy and Compliance
Main Street Centre 600 East Main Street, Suite 300
Richmond, Virginia 23219

A summary of these comments will be posted on DHCD’s website along with DHCD’s response, where applicable. This document will be included as an attachment when submitting the final Action Plan to HUD.

Public Hearings

Accessibility of Public Hearings

During the public comment period, DHCD will hold a public hearing to solicit feedback from individuals residing in MID areas on the contents of the CDBG-DR Action Plan prior to submission to HUD. Constituents will be informed of this event via public notice on the DHCD website. The notice will: summarize the scope and content of the public hearing; specify its time, date, and location; give instructions for submitting written comments; and highlight resources for attendees

in need of disability accommodations or translation services. DHCD will provide this information directly to its grantees and partner organizations via e-blast. To promote maximum participation, DHCD reserves the right to host this event virtually.

DHCD complies with the Americans with Disabilities Act and will make accommodations to documents and public hearings for persons with special needs when requested. Persons requiring such accommodation should call 804-382-1871.

Consideration of Public Comments

Public comments to each Action Plan and Amendment can be located in Appendix D of this document.

Citizen Complaints

Complaints pertaining to the CDBG-DR program can be submitted to feedback.ppc@dhcd.virginia.gov. Should the Commonwealth receive complaints from constituents related to this funding, DHCD will aim to provide a substantive written response within 15 working days of receipt. Any complaints requiring further remediation will be handled by DHCD on a case-by-case basis.

Modifications to the Action Plan

Substantial Amendment

The Commonwealth will issue a Substantial Amendment to the CDBG-DR Action Plan under the following conditions:

- A change in program benefit or eligibility criteria (including the expansion of eligible beneficiaries (e.g., establishing a new grantee-identified MID area)); or
- The addition or deletion of an activity; or
- A proposed reduction in the overall benefit requirement; or
- The allocation or reallocation of funds exceeding 25% of the established amount; or

In the event of a Substantial Amendment to the Consolidated Plan as adopted, DHCD will make available the amended plan via the agency website at www.dhcd.virginia.gov/consolidated-plan. When requested, copies of these materials will be provided to the public at no cost. Documents will be made available in a format accessible to persons with disabilities upon request.

A period no shorter than 30 days will be afforded for constituents to comment on Substantial Amendments to the Consolidated Plan. Comments on the amended plan by individuals or groups received in writing or at public meetings will be considered by DHCD. A summary of the public comments received will be included in the final amended plans, as applicable

Non-substantial Amendment

The following conditions constitute a Non-Substantial Amendment to the CDBG-DR Action Plan:

- A change in the purpose, scope, location, or beneficiaries of an individual sub-recipient activity funded by any federal program covered in the plan; and

- Any re-use of funds available from cancellation of projects; from projects completed under budget; from funds designated but not expended. Funds will be reused for eligible activities as established in the CDBD-DR Action Plan.

DHCD reserves the right to make non-substantive changes to the Action Plan and its components without opening a public comment period.

Performance Reports

In order to complete performance reports, DHCD will aggregate CDBG-DR expenditures across all subgrantees and activity types and calculate current expenditure rates to project future expenditures. DHCD will ensure the accuracy of this information through cross-referencing between federal and state financial management systems.

Performance reports will be submitted on a quarterly basis until all funds have been expended, and DHCD has reported on accomplishments and submitted all required materials for closeout. Once the Quarterly Performance Report (QPR) is approved by HUD, DHCD will publish a version of that QPR omitting PII to the Commonwealth's disaster recovery website.

Monitoring and Compliance

To ensure that funds are used effectively and in accordance with program requirements, a robust monitoring and compliance framework will be established. This will include:

- Regular reporting: Fund recipients will be required to submit regular progress reports detailing their use of funds and project outcomes.
- Site visits: Periodic site visits will be conducted to verify project progress and compliance.
- Financial audits: Fund recipients will be subject to financial audits to ensure proper use of funds.
- Technical assistance: Ongoing technical assistance will be provided to recipients to support successful project implementation.
- Prevention of duplication of benefits: applicants must disclose all other sources of funds received for the CDBG-DR funded activity. DHCD staff will review and verify the other funds to identify any duplicative benefits at the time of application and upon receipt of remittance requests and/or project amendments

For more details, please see the Financial and Grant Management Certifications attachment.

Appendix A: Income Demographics

Table 27: 2024 HUD Income Limits

Locality	Median Family Income	Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Washington County	\$70,300	Low-Income (80% AMI)	39,400	45,000	50,650	56,250	60,750	65,250	69,750	74,250
		Very Low-Income (50% AMI)	24,650	28,150	31,650	35,150	38,000	40,800	43,600	46,400
		Extremely Low-Income*	15,060	20,440	25,820	31,200	36,580	40,800	43,600*	46,400*
NOTE: Washington County is part of the Kingsport-Bristol-Bristol, TN-VA MSA , so all information presented above applies to all of the Kingsport-Bristol-Bristol, TN-VA MSA.										
Giles County	\$75,400	Low-Income (80% AMI)	42,250	48,250	54,300	60,300	65,150	69,950	74,800	79,600
		Very Low-Income (50% AMI)	26,400	30,200	33,950	37,700	40,750	43,750	46,750	49,800
		Extremely Low-Income*	15,850	20,440	25,820	31,200	36,580	41,960	46,750*	49,800*
*The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS) , provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low-income limits may equal the very low (50%) income limits.										

Source: HUD FY 2024 Income Limits

Table 28: 2023 Income Demographics

	Areawide	Giles County	Washington County
Median Family Income	112,146	80,086	81,978
Per Capita Income	49,217	33,792	38,582

Note: these estimates of Median Family Income differ from Table 25 in that they are from a previous year and are only for the counties in the HUD-identified MID, rather than for the entire MSA

Appendix B: Unmet Needs Assessment Methodology

Unmet Housing Needs Assessment

Table 29: Unmet Homeowner Housing Needs: FEMA Individual Assistance

Counties/Cities	Total Registrants	Total Approved for FEMA Assistance	Total Approved Individuals & Households Program	Average Amount of IHP Assistance	Total Need (Direct & Indirect)	Difference of Registered & Received Assistance	Unmet Need
Areawide Total	7305	3367	\$14,542,202.49	\$4,319.04	\$31,550,575.94	3938	\$17,008,373.45
Tazewell (County)	1230	509	\$1,826,560.03	\$3,588.53	\$4,413,887.70	721	\$2,587,327.67
Washington (County)	741	356	\$2,094,345.40	\$5,882.99	\$4,359,297.59	385	\$2,264,952.19
Smyth (County)	1005	582	\$2,855,162.72	\$4,905.78	\$4,930,306.76	423	\$2,075,144.04
Pulaski (County)	180	78	\$906,083.59	\$11,616.46	\$2,090,962.13	102	\$1,184,878.54
Wythe (County)	459	272	\$1,669,742.17	\$6,138.76	\$2,817,689.91	187	\$1,147,947.74
Grayson (County)	970	597	\$1,777,926.37	\$2,978.10	\$2,888,758.09	373	\$1,110,831.72
Giles (County)	175	94	\$1,117,303.26	\$11,886.20	\$2,080,085.86	81	\$962,782.60
Russell (County)	613	189	\$416,877.73	\$2,205.70	\$1,352,095.49	424	\$935,217.76
Galax	661	237	\$510,703.87	\$2,154.87	\$1,424,368.18	424	\$913,664.31
Carroll (County)	359	132	\$379,072.85	\$2,871.76	\$1,030,963.28	227	\$651,890.43
Scott (County)	274	79	\$174,232.68	\$2,205.48	\$604,300.69	195	\$430,068.01
Bland (County)	147	59	\$260,137.44	\$4,409.11	\$648,139.05	88	\$388,001.61
Wise (County)	224	91	\$198,505.70	\$2,181.38	\$488,629.42	133	\$290,123.72
Montgomery (County)	89	32	\$150,111.15	\$4,690.97	\$417,496.64	57	\$267,385.49
Lee (County)	81	35	\$149,145.40	\$4,261.30	\$345,165.07	46	\$196,019.67
Radford	61	11	\$19,628.00	\$1,784.36	\$108,846.18	50	\$89,218.18
Bedford (County)	25	7	\$30,497.45	\$4,356.78	\$108,919.46	18	\$78,422.01
Pittsylvania (County)	11	7	\$6,166.68	\$880.95	\$9,690.50	4	\$3,523.82

Table 30: Unmet Renters Housing Needs: FEMA Individual Assistance

Counties/Cities	Total Registrants	Total Approved for FEMA Assistance	Total Approved \$ Individuals & Households	Average Amount of IHP Assistance	Total Need (Direct & Indirect)	Difference of Registered & Received Assistance	Unmet Need
Areawide Total	2971	1058	\$1,741,357.73	\$1,645.90	\$4,889,956.35	1913	\$3,148,598.62
Smyth (County)	450	185	\$403,655.53	\$2,181.92	\$981,864.80	265	\$578,209.27
Tazewell (County)	441	148	\$225,358.98	\$1,522.70	\$671,508.85	293	\$446,149.87
Galax	444	130	\$178,843.70	\$1,375.72	\$610,820.02	314	\$431,976.32
Washington (County)	351	159	\$296,504.50	\$1,864.81	\$654,547.67	192	\$358,043.17
Giles (County)	77	30	\$124,038.88	\$4,134.63	\$318,366.46	47	\$194,327.58
Wythe (County)	120	48	\$81,589.65	\$1,699.78	\$203,974.13	72	\$122,384.48
Russell (County)	157	52	\$60,571.67	\$1,164.84	\$182,879.85	105	\$122,308.18
Wise (County)	152	46	\$52,145.86	\$1,133.61	\$172,308.06	106	\$120,162.20
Grayson (County)	220	128	\$163,010.96	\$1,273.52	\$280,175.09	92	\$117,164.13
Pulaski (County)	78	16	\$25,992.28	\$1,624.52	\$126,712.37	62	\$100,720.09
Scott (County)	107	27	\$30,745.67	\$1,138.73	\$121,843.95	80	\$91,098.28
Carroll (County)	133	54	\$61,038.98	\$1,130.35	\$150,336.75	79	\$89,297.77
Radford	108	8	\$6,420.00	\$802.50	\$86,670.00	100	\$80,250.00
Montgomery (County)	59	10	\$15,861.07	\$1,586.11	\$93,580.31	49	\$77,719.24
Bedford (County)*	27	0	\$0.00	\$1,512.16	\$40,828.34	27	\$40,828.34
Bland (County)	18	5	\$6,590.00	\$1,318.00	\$23,724.00	13	\$17,134.00
Pittsylvania (County)	11	2	\$2,140.00	\$1,070.00	\$11,770.00	9	\$9,630.00
Lee (County)	18	10	\$6,850.00	\$685.00	\$12,330.00	8	\$5,480.00

Unmet Housing Needs Methodology

The Unmet Housing Needs Assessment was performed using [OpenFEMA data](#) from the agency's Individuals & Households Program (IHP). The analysis used datasets summarizing IHP applications and awards for both [Homeowners](#) and [Renters](#) to estimate the unmet housing needs for areas affected by Tropical Storm Helene.

Any projects located in cities or counties outside of the HUD-identified or DHCD-identified MIDs were excluded from this analysis. For each disaster-declared locality, we aggregated the following datapoints: the total number of individuals who registered for FEMA assistance, the total number approved for FEMA assistance, and the total amount of assistance provided to those approved. To approximate the total need in a locality, the average amount of assistance per household was calculated multiplied by the total number of individuals who registered for assistance. The aggregate amount of assistance provided was used as a proxy to estimate "Financial Assistance Budgeted & Obligated." Unmet need for each locality was calculated as the number of individuals registered for but not awarded assistance multiplied by the average amount of assistance per household.

Please note, the rows labeled "Areawide Total" were also calculated by multiplying the areawide average amount of assistance by the total number of unassisted individuals across all localities. This number may differ from the sum of unmet need for the localities due to the non-linearity of multiplication and division compared to summation.

* Note: In Bedford County, none of the 27 applications for rental assistance were approved for IHP Assistance. In order to estimate the unmet need for this locality, the "Average Amount of IHP Assistance" was defined as the average of the same figure across all localities, \$1,512.16.

Unmet Infrastructure Needs

Table 31: Unmet Infrastructure Needs by Locality

Locality	# Projects	Total Cost Estimate (Direct & Indirect Need)	Total Federal Share Cost Estimate (Financial Assistance Budgeted & Obligated)	Difference (Unmet Need)
Areawide Total	105	\$ 46,360,791.37	\$ 35,025,677.44	\$ 11,335,113.93
Pulaski (County)	11	\$ 13,256,129.15	\$ 9,946,775.43	\$ 3,309,353.72
Washington (County)	15	\$ 10,447,552.97	\$ 7,910,835.99	\$ 2,536,716.98
Smyth (County)	18	\$ 8,376,915.76	\$ 6,376,779.87	\$ 2,000,135.89
Wythe (County)	8	\$ 6,600,037.14	\$ 4,952,051.61	\$ 1,647,985.53
Giles (County)	4	\$ 2,958,550.00	\$ 2,218,912.50	\$ 739,637.50
Grayson (County)	16	\$ 1,969,487.00	\$ 1,486,287.32	\$ 483,199.68
Scott (County)	6	\$ 1,167,156.64	\$ 875,367.48	\$ 291,789.16
Tazewell (County)	10	\$ 652,266.06	\$ 493,741.06	\$ 158,525.00
Wise (County)	7	\$ 652,702.16	\$ 535,634.82	\$ 117,067.34
Radford	1	\$ 100,000.00	\$ 75,000.00	\$ 25,000.00
Montgomery (County)	5	\$ 104,547.94	\$ 91,344.81	\$ 13,203.13
Galax	2	\$ 50,000.00	\$ 37,500.00	\$ 12,500.00
Russell County	1	\$ 25,446.55	\$ 25,446.55	\$ 0.00
Danville	1	\$ 0.00	\$ 0.00	\$ 0.00

Unmet Infrastructure Needs Methodology

The Unmet Infrastructure Needs Assessment was performed using a proprietary dataset provided by VDEM. This dataset contained a list of projects funded in response to Tropical Storm Helene, including the applicant, relevant locality, the Best Available Cost Estimate, along with the Best Available Federal Share Cost (calculated as 75% of the Best Available Cost Estimate).

Any projects located in cities or counties outside of the HUD-identified or DHCD-identified MIDs were excluded from this analysis. Infrastructure projects were identified according to the project type— those categorized by VDEM as “Utilities,” “Roads and Bridges,” or “Water Control Facilities” were automatically included. Additional infrastructure projects were identified based on project title; for

example, any projects categorized as “Emergency Protective Measures” whose titles mentioned “sewer bypass” or were applied for by a local water authority were also included.

The projects within each locality were aggregated to sum up the Best Available Cost Estimate and the Best Available Federal Share Cost included in Table 23. The difference between the Total Cost Estimate and the Total Federal Share Cost Estimate represents the amount of additional funding needed to fund the project at total cost.

Unmet Economic Revitalization Needs

Table 32: Unmet Economic Revitalization Needs by Locality

Locality	# Projects	Total Cost Estimate (Direct & Indirect Need)	Total Federal Share Cost Estimate (Financial Assistance Budgeted & Obligated)	Difference (Unmet Need)
Areawide Total	26	\$ 3,389,874.08	\$ 2,542,405.58	\$ 847,468.50
Radford	2	\$ 1,439,612.60	\$ 1,079,709.45	\$ 359,903.15
Smyth (County)	3	\$ 845,600.00	\$ 634,200.00	\$ 211,400.00
Giles (County)	4	\$ 741,660.42	\$ 556,245.32	\$ 185,415.10
Washington (County)	5	\$ 231,648.60	\$ 173,736.46	\$ 57,912.14
Pulaski (County)	1	\$ 50,000.00	\$ 37,500.00	\$ 12,500.00
Tazewell (County)	3	\$ 20,600.00	\$ 15,450.00	\$ 5,150.00
Grayson (County)	2	\$ 20,000.00	\$ 15,000.00	\$ 5,000.00
Craig (County)	2	\$ 15,000.00	\$ 11,250.00	\$ 3,750.00
Wise (County)	2	\$ 11,752.46	\$ 8,814.35	\$ 2,938.11
Buchanan (County)	1	\$ 9,000.00	\$ 6,750.00	\$ 2,250.00
Scott (County)	1	\$ 5,000.00	\$ 3,750.00	\$ 1,250.00

Unmet Economic Revitalization Needs Methodology

The Unmet Infrastructure Needs Assessment was performed using a proprietary dataset provided by VDEM. This dataset contained a list of projects funded in response to Tropical Storm Helene, including the applicant, relevant locality, the Best Available Cost Estimate, along with the Best Available Federal Share Cost (calculated as 75% of the Best Available Cost Estimate).

Any projects located in cities or counties outside of the HUD-identified or DHCD-identified MIDs were excluded from this analysis. Economic Revitalization projects were identified according to the project type— those categorized by VDEM as “Parks, Recreational Facilities, and Other Items,” were included in this calculation.

The projects within each locality were aggregated to sum up the Best Available Cost Estimate and the Best Available Federal Share Cost included in Table 23. The difference between the Total Cost Estimate and the Total Federal Share Cost Estimate represents the amount of additional funding needed to fund the project at total cost.

Data Limitations

The Unmet Needs Assessment was conducted using the best available data at the time of writing this Action Plan. Datasets describing applications for assistance and expended funds were obtained from FEMA and VDEM to represent the relative unmet need for housing, infrastructure, and economic development recovery efforts by locality. Both sources are subject to similar limitations of scope, as they only include those localities that apply for assistance from these entities.

As such, this analysis does not constitute an exhaustive measure of the total damage inflicted by Tropical Storm Helene and is likely to attenuate the total magnitude of needs. Nevertheless, given the similar limitations of the two datasets, the comparative extent of these estimates, in combination with qualitative data and stakeholder feedback, is useful in determining the ideal proportion of funds dedicated to each activity type. DHCD will continue to examine unmet needs data as it becomes available and will amend the Action Plan or reallocate funds as needed.

Appendix C: Maximum Award Limits

Table 33: Maximum Awards by Program Type

	HUD-MID Max Award	DHCD-MID Localities* Max Award
Planning	\$155,000	\$155,000
Housing Recovery Program	\$1,250,000	\$500,000
Infrastructure Recovery Program	\$2,000,000	\$500,000
Economic Revitalization Recovery Programs	\$1,250,000	\$200,000

Appendix D: Public Comments and Responses

As outlined in DHCD’s Citizen Participation Plan, each new Action Plan or substantial amendment to the Action Plan is posted for public comment. A Public Comment period expires thirty (30) calendar days after the date of publication of the original Action Plan and each substantial or non-substantial amendment.

Comments received during public comment periods have been used to inform the development of the Action Plan and amendments. Public comments to this amendment, and DHCD responses, are posted below. All other previous versions and comments to those versions can be accessed online at the links noted in each version listed after this current edition.

Substantial Amendment 1

The public comment period for this amendment began on December 1, 2025 and ended on January 1, 2025. The plan included modifications to program budgets in Housing, Planning, and Public Services programs. It also changed eligibility criteria and added additional definition of activities to both Planning and Housing programs. A summary of the comments and responses are listed below.

Table 34: Consideration of Public Comments

#	Comment Received	Grantee’s Response
1	<i>The changes to the amendment sound like they will result in more individuals in Virginia having safe, updated housing. I appreciate that the funding for planning has gone down--freeing up additional funds to take ACTION and help renovate existing housing and construct new housing.</i>	Thank you for your participation during the public comment period for the 1 st Amendment to Virginia’s CDBG-DR Action Plan. DHCD values the input and support of the funding increase to the Housing Recovery Program budget.
2	<i>I agree with the proposed amendment to the CDBG-DR Action Plan since the hurricane has happened over a year ago and things have changed in relation to</i>	Thank you for your participation during the public comment period for the 1 st Amendment to

	<p><i>the immediate need. Reallocating funds more to the Housing portion is wise to do as families are at the stage of execution for repairs.</i></p>	<p>Virginia’s CDBG-DR Action Plan. DHCD values the input and support of the funding increase to the Housing Recovery Program budget.</p>
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Action Plan – Original

As required under the terms of Revised Universal Notice, DHCD provided a full accounting of public comments received between March 4, 2025, and April 3, 2025 on the draft Action Plan. Comments were collected via several means pursuant to DHCD’s citizen participation plan for its CDBG-DR funding. DHCD provided response to each comment, originally published within the Action Plan approved by HUD on May 15, 2025. These comments and responses are now archived in the [original Plan published to the DHCD website](#).