



# VIRGINIA SOUTHEAST CRESCENT REGIONAL COMMISSION

STRATEGY STATEMENT

## **Southeast Crescent Regional Commission**

### **Virginia 2024 Annual State Strategy Statement**

**Governor Glenn Youngkin**

**Bryan Horn**

State Alternate

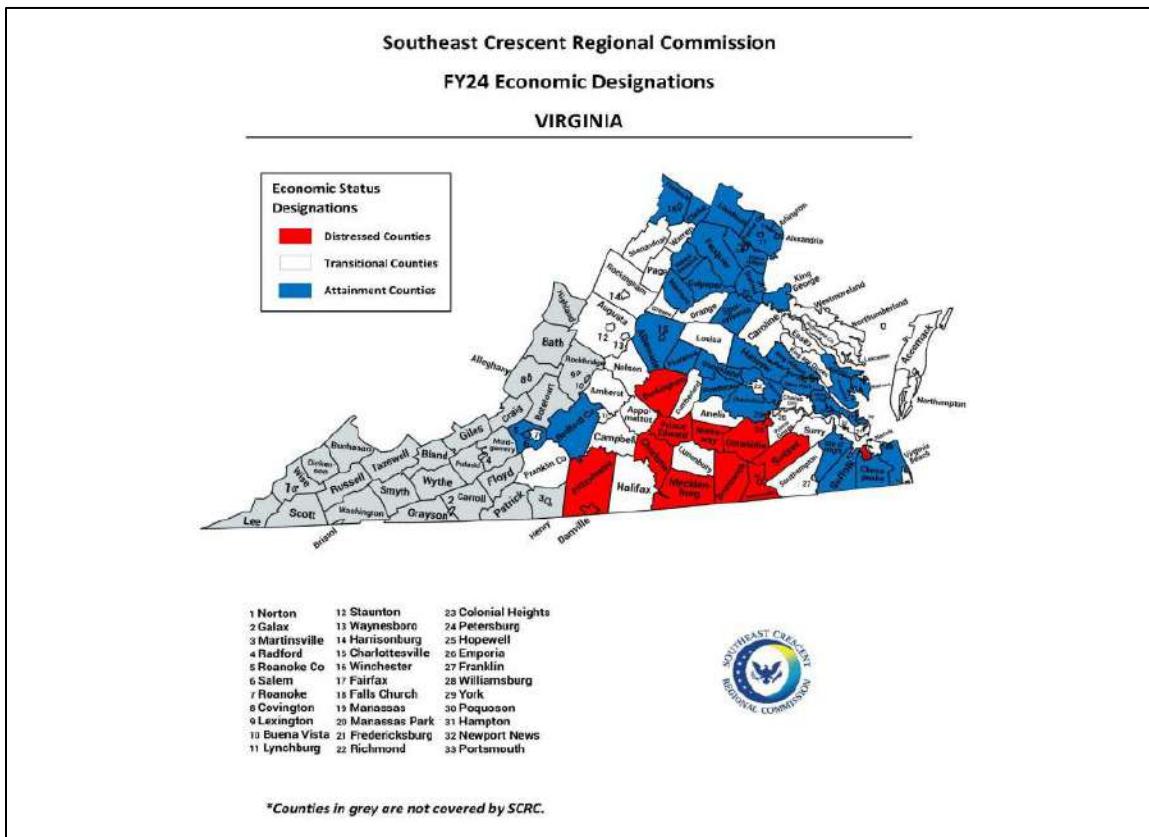
Director, VA Department of Housing & Community Development

In accordance with 40 U.S.C. §15502(a), this document will serve as the Commonwealth of Virginia's Southeast Crescent Regional Commission 2024 Strategy Statement. The purpose of the 2024 Strategy Statement is to establish our goals, objectives, and priorities for Virginia's SCRC Region. The implementation of the 2024 Strategy Statement will enable the Commonwealth of Virginia to meet the diverse and changing needs of our SCRC region. More specifically, the 2024 Strategy Statement will:

- Overview and assess the region's economic and infrastructure needs, including current gaps, strengths, recent achievements.
- Discuss emerging opportunities, regional priority efforts, and other programs.
- Outline how the state's SCRC program is structured and implemented, including the planning and coordination process. This should include a description of the number and coverage area of LDDs in the state's SCRC Crescent Region, and the role of LDDs and citizens in developing and implementing the Development Plan as described in this document.
- Address the methods used to measure the relative financial resources of project applicants, and methods used to ensure an equitable allocation of (non-SCRC) state contributions for projects to its Southeast Crescent area.

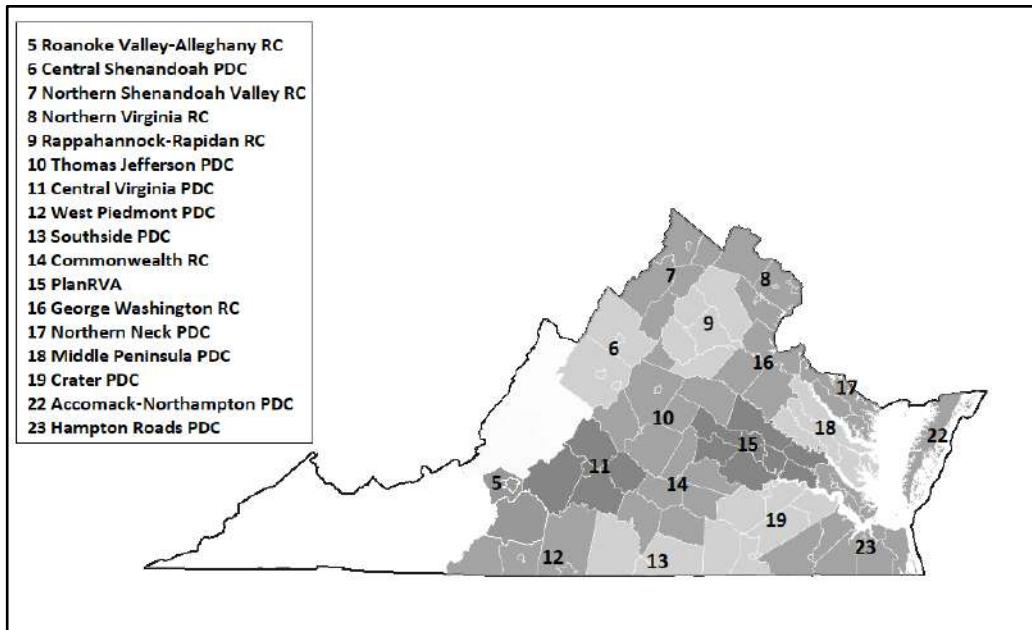
Governor Glenn Youngkin will serve as the Virginia Commission member. The Virginia Department of Housing and Community Development (DHCD) is the state agency responsible for administering the SCRC program. Director Bryan Horn will serve as the Virginia State Alternate. There are 100 localities located in the SCRC footprint. There are 41 localities identified as *transitional*, and there are 15 localities identified as *distressed*; SCRC funding requires localities to either be transitional or distressed. The distressed localities are Brunswick County, Buckingham County, Charlotte County, Colonial Heights City, Danville City, Dinwiddie County, Emporia City, Greenville County, Mecklenburg County, Nottoway County,

Petersburg City, Pittsylvania County, Portsmouth City, Prince Edward County, and Sussex County.



### Regional, State, and Federal Partners

The Region's Local Development Districts (LDDs) and various federal and state agencies, as well as regional partners, assist the Virginia SCRC program with investment strategies and project development. The SCRC region is served by 17 Local Development Districts (LDDs). Contact information for LDDs can be found on the [VA PDC Directory](#).



DHCD is a leader in the Commonwealth for the development and implementation of strategies that improve the quality of life in Virginia communities through local and regional planning, community and economic development programs, the availability of affordable housing, and building local leadership capacity. DHCD works to maintain strong relationships with federal and state partner agencies including United States Department of Agriculture-Rural Development (USDA-RD) and the Economic Development Administration (EDA). State agency partners include the Virginia Economic Development Partnership (VEDP), Virginia Resources Authority (VRA), Virginia Tourism Corporation (VTC), and Virginia Community Action Partnership (VACAP).

### **Virginia's Targeted Investment Priorities**

- Support efforts to reinvigorate the small business and entrepreneurial ecosystem, create jobs, train workers, and attract and retain talent in Virginia.
- Support efforts to address unmet housing needs by ensuring quality housing is available and affordable in support of economic development efforts.
- Support the deployment of broadband infrastructure to enable universal access in unserved areas of the region.
- Support and expand access to quality and affordable public water and wastewater systems.
- Support and expand access to attainable public services and health services.

## **Alignment of Virginia Objectives and Goals with SCRC Strategic Goals**

Virginia's goals and objectives were developed through a public input process and aligned with SCRC's strategic goals. Based on feedback collected through the input process, an overwhelming number of communities said that increased access to affordable housing is their top priority. Further, survey respondents attribute other socioeconomic factors to the lack of access to affordable housing: difficulty attracting and retaining workforce, oversaturated housing market, lack high-paying jobs, need for improved childcare, and weakened critical infrastructure.

### **SCRC Goal #1** Invest in critical infrastructure

SCRC Virginia Goal: Virginia is committed to developing, expanding, and upgrading critical infrastructure to promote economic growth and improve quality of life. Virginia aims to ensure that energy efficient utilities and infrastructure remain affordable and attainable for all Virginians. Infrastructure needs include the deployment of broadband infrastructure to unserved communities, public water and wastewater systems, and supporting regional multimodal transportation infrastructure.

### **SCRC Goal #2** Improve health and public service access and outcomes

SCRC Virginia Goal: Virginia will expand resources and access to high quality healthcare and public services that support physical and mental health. Mental health is a major priority under Governor Youngkin's administration; the "Right Help, Right Now" plan to address Virginia's behavioral health system combines resources to address our behavioral health challenges, encompassing crisis care, law enforcement burden, substance use disorder support, behavioral health workforce and service delivery innovation. Expanding access to affordable childcare is also an important investment for many regions across the Commonwealth.

### **SCRC Goal #3** Strengthen workforce capacity

SCRC Virginia Goal: Virginia will expand and strengthen community systems and opportunities that support local and regional workforce systems that support different industries and sectors in the Commonwealth. Such activities include workforce readiness programs, training programs, the establishment of partnerships and innovative arrangements of workforce boards and economic development agencies and supporting regional healthcare and wellness programs that attract and retain local health care workers. The Virginia Innovation Partnership Authority was established under the Governor's administration to provide a collaborative, consistent, and consolidated approach that will assist the Commonwealth in identifying its entrepreneurial strengths, including the identification of talents and resources that make the Commonwealth a unique place to grow and attract technology-based businesses.

**SCRC Goal #4** Foster entrepreneurial and business development activities

SCRC Virginia Goal: Virginia will continue to support business development, provide resources to entrepreneurs, and create small business opportunities. Under Governor Youngkin's administration, Virginia surpassed the goal of creating 10,000 start-up companies and is committed to providing 400,000 new jobs.

**SCRC Goal #5** Expand affordable housing stock and access

SCRC Virginia Goal: Virginia will promote increasing the supply of attainable, affordable, and accessible housing as it supports economic development efforts across the Commonwealth. Expanding and supporting affordable housing opportunities in Virginia include homeownership and homebuyer assistance programs, legal assistance for title and heirship issues, and supporting state-wide efforts that expand the affordable housing stock.

**SCRC Goal #6** Promote environmental conservation, preservation, and access

SCRC Virginia Goal: Virginia will preserve and expand access to natural, heritage, and environmental assets. Preserving and expanding access to environmental resources includes supporting and investing in activities that promote clean water, air, and soil, energy efficient systems, and more resilient environments.

## Virginia's Strategies for Distressed Localities

### Infrastructure

One priority area for all SCRC regions in Virginia is to expand infrastructure such as water, sewer, broadband, and others. Many localities are experiencing overburdened public utilities due to aging infrastructure and increased growth throughout the Commonwealth. New and expanded investments in infrastructure will also support economic growth, workforce development, and housing development. Governor Youngkin plans for major investments in infrastructure for site development to better prepare Virginia for industry recruitment and growing jobs.

Investment in infrastructure not only supports economic growth throughout the Commonwealth, but it is also necessary for businesses to grow, support housing development, and improve quality of life for Virginia residents. Priorities in advancing Virginia's infrastructure include expand broadband access in unserved areas, increase reliable energy production, improve Virginia's network of roads, bridges, and tunnels, and support new and expanded water and sewer infrastructure projects.

### Affordable Housing

Virginia is committed to providing high-quality, affordable housing, which is a barrier to many low and middle-income families. Almost all regions in Virginia are experiencing a shortage of affordable housing options of all housing types. Governor Youngkin plans to align

housing development with economic growth to address workforce housing needs across the Commonwealth.

Connecting affordable housing to economic development is a key priority for the Commonwealth and remains a top priority under Governor Glenn Youngkin's administration to ensure that every Virginia resident has a safe place to live. According to the 2022 HB854 Statewide Housing Study, Virginia is expected to reach a population of 10 million by 2040, and a minimum of 25,000 new housing units is needed to meet projected growth through 2040<sup>1</sup>. Furthermore, affordable housing supports economic development because a lack of available and/or affordable housing may impact business location decisions; housing is a necessary key to attracting and retaining employees and growing a region's economic competitiveness<sup>2</sup>.

In 2024, Governor Youngkin established the Workforce Housing Investment Program, a new initiative at Virginia Housing that will invest \$75 million over five years with the potential to catalyze \$750 million and build 5,000 units of workforce. Additionally, localities applying for funds through the Virginia Business Ready Sites Program must now submit a housing plan to match the job potential for each site slated for economic development.

## **Workforce Capacity**

Based on feedback from Virginia residents, stakeholders, and community partners, one key priority area is expanding workforce development and strengthening community systems that increase workforce participation and eliminating barriers to employment such as childcare, housing, workforce training, and more. Virginia is committed to providing resources to strengthen these systems and to consolidate workforce programs and resources in a streamlined way.

One specific area where there is an opportunity to strengthen distressed communities is providing workforce and job trainings in technical fields such as public utilities and broadband installation. In 2022, nearly \$6 million was invested in economic development projects that focused on innovative workforce development initiatives designed to expand talent pipelines in technology sectors, as well as foster entrepreneurial startups, business development and venture investment. Virginia is prioritizing efforts to build, attract, and retain innovation and high-technology jobs and businesses, provide additional private and public funding to support and enhance innovation-led entrepreneurship ecosystems and coordination of existing activities and programs throughout the Commonwealth to create new job opportunities and diversify the economy, and support the statewide innovation economy and support and coordinate regional marketing efforts to align local and statewide objectives.

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<sup>1</sup> DHCD, and Virginia Housing. *HB854 Statewide Housing Study – Current Efforts, Future Needs, and New Strategies*. 2022, <https://dmz1.dhcd.virginia.gov/HB854/pdf/hb854-full-report-print.pdf>

<sup>2</sup> Keith Wardrip, Laura Williams, and Suzanne Hague, "The Role of Affordable Housing in Creating Jobs and Stimulating Local Economic Development: A Review of the Literature," January 2011, Center for Housing Policy, accessed February 28, 2023, <https://www.opportunityhome.org/wp-content/uploads/2018/02/Housing-and-Economic-Development-Report-2011.pdf>.

## **Virginia SCRC Operating Procedures**

Grant funding is dependent upon Virginia's annual allocation from SCRC as approved by the annual budget legislation.

In SCRC Virginia, the level of SCRC funds cannot exceed 50% of the total project cost except: 1) Virginia has the ability to waive this requirement in distressed counties, cities, or census tracts. The funding limits are as follows:

- Construction projects are eligible for up to \$500,000
- Non-Construction projects are eligible for up to \$350,000
- Planning grants are eligible for up to \$50,000 for single localities, and up to \$100,000 for regional projects

### **Eligible Applicants:**

- Units of local government
- Local Development Districts
- Community Action Agencies
- Non-profit organizations

### **Administrative Allowance:**

- Up to 10% of SCRC funds can be used to cover administrative costs

### **General Information:**

- DHCD staff is available to provide pre-project development technical assistance
- All projects must meet a SCRC Strategic Goal and Virginia Goal and Strategy from the State Economic and Infrastructure Development Plan
- Applicants must consult with the Local Development District prior to submission to DHCD
- Match funds cannot be expended prior to final approval by the SCRC Federal Co-Chair
- All match funding should be committed prior to SCRC application submission
- Individuals and for-profit enterprises are not eligible for direct grant assistance but may benefit from and be served by the investment of SCRC funds

### **Application Evaluation Criteria**

In order to maintain an equitable allocation of resources and funding to SCRC localities, the following factors are considered when reviewing applications submitted for funding:

1. Applicant and activity eligibility;
2. Demonstrated need for the project;
3. Ability to meet the challenges and opportunities identified in the proposed service area;
4. Ability to fill a "gap" in currently offered services available locally or regionally;

5. Possession of clearly described performance targets (product-focused outputs) to be achieved throughout the project and the overall outcomes;
6. Capacity of applicant organization to implement the project and readiness of project to begin;
7. Leveraging of non-SCRC resources;
8. Establishment or significant enhancement of collaborative relationships among local and regional providers;
9. Sustainability or the ability to maintain the proposed effort into the future.