

# Quarterly Performance Report of the Virginia Telecommunication Initiative

## Q3 FY2026 Report

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Submitted by:

The Department of Housing and Community Development

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## Executive Summary

Virginia funds broadband deployment within the Commonwealth through several programs. The largest and main program is the Virginia Telecommunication Initiative (VATI).

VATI provides grants to localities partnered with internet service providers to finance the deployment of high-speed broadband to locations (called a “passing”) within the Commonwealth that are determined to be “unserved.” Passings are places where the internet can be accessed – thus it could be a business, community anchor, a home, or an apartment complex. A passing is unserved<sup>1</sup> if it lacks access to internet speeds of 100 Megabits per second (Mbps) download and 20 Megabits (Mbps) upload (“100/20”).

This quarterly report is required by statute and has been prepared by the Office of Broadband located within the Virginia Department of Housing and Community Development (DHCD). This report tracks the technical performance of the VATI provider partners in their work to deploy broadband. This report adheres to the factors that the General Assembly directed to be tracked and presents them in the manner directed by the General Assembly.

Below are the key takeaways from the report. *Only open projects are listed in the summary tables provided at the end of this report. Completed projects are not listed in these tables; however, their total figures are listed in the summary bullets below.*

- *Total passings:* VATI FY22, FY23, and FY24 projects will provide access to broadband infrastructure to 320,402 passings across Virginia.
- *Leveraged local and private funding:* In addition to \$822.8 million in state and federal funding awarded, FY22, FY23, and FY24 projects leverage a total of \$1.198 billion in private and local match funding. To-date, \$498.3 million of these awarded funds and \$650.4 million of these matching funds have been expended. *Note: Projects that have been completed and closed out are not listed in the tables below. Therefore, expenditure totals listed in this narrative may exceed the total of project expenditures in the table below.*
- *Locations Built-To:* To date, projects have provided broadband access to 216,478 locations. *Note: Projects that have been completed and closed out are not listed in the tables below. Therefore, the locations listed in this narrative may exceed the total of locations provided broadband access to date in the table below.*
- *Maximum Speeds Available:* Over 93.4% of projects funded in FY22, FY23, and FY24 offer functionally gigabit (1,000 Mbps) download speeds, and over 73.7% offer functionally gigabit upload speeds.

In conclusion, 17 out of the 51 open projects funded from the American Rescue Plan Act of 2021 (ARPA) and General Funds from FY22, FY23, and FY24 are scheduled to be completed on time as of this report’s submission. DHCD identifies 34 projects are at risk for incompleteness or underperformance. Justification for these delays include the make-ready effort, which includes preparing existing electric poles for aerial broadband network construction, as well as supply chain and labor markets, streamlining utility locate efforts, railroad crossings, the permitting process to

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<sup>1</sup> In the FY22 VATI process, the definition of unserved was set at 25/3. This definition of unserved has been upgraded to those passings lacking access to broadband at speeds of 100/20 for the FY23 VATI process

lay fiber in state-owned rights of way along roads, and permitting to cross federally owned lands. Looking forward, DHCD will continue its ongoing work to monitor these projects, assisting where appropriate in mitigating these broadband deployment challenges.

### **Formal Report**

Pursuant to Chapter 1 of the Virginia Appropriation Act of Assembly of the 2021 Special Session II and continued forward in Chapter 725 of the Virginia Appropriation Act of Assembly of the 2025 Regular Session, enclosed is the Quarterly Performance Report of the Virginia Telecommunication Initiative (VATI) for Q3 FY2026.

Item 103 L.6. of the Virginia Appropriation Act of Assembly of the 2025 Regular Session requires that the Department of Housing and Community Development (DHCD) deliver a quarterly performance report on funds awarded through the 2021 Acts of Assembly Special Session I (also known as the budget bill) of allocated ARPA funds, as well as state general funds awarded through VATI since the aforementioned FY2022 budget cycle.

Administered by DHCD, VATI enhances the sustainability and growth of communities throughout the Commonwealth by preparing those communities to build, utilize, and capitalize on broadband infrastructure. The primary objective of VATI is to provide financial assistance to supplement construction costs by private sector broadband service providers to extend service to areas that presently are unserved by any broadband provider. This program requires a public-private partnership.

The directive to form this quarterly performance report establishes that:

*To the extent possible, the quarterly performance report shall contain information by grant recipient and year on the following metrics: (1) Number of passings; (2) Grant dollars expended by fund source (State and Local Recovery Fund, Capital Project Fund, general fund state grants and match); (3) Contract performance period, and on-time progress towards project delivery; (4) Maximum advertised project speeds available; and, (5) Achievement of key project milestones. The quarterly report shall be due within 30 days of the close of the quarter. The quarterly performance report shall include an evaluation of any projects under risk of incompleteness or underperformance. The department in providing such risk assessment shall include a reason for the project's delay.*

In accordance with this structure, DHCD has included information in this report of the projects that were awarded funds since December 2021, and includes the projects announced in the FY2022, FY2023, and FY2024 cycles, including those projects funded under the Coronavirus State and Local Fiscal Recovery Fund and Coronavirus Capital Projects Funds allocations under the American Rescue Plan Act of 2021. Project information displayed in this report reflects monthly report data from February 2026, which reflects project data as of the end of January 2026.

Out of the 52 open projects funded in FY22, FY23, and FY24, 33 have requested and received timeline extensions, and, per DHCD's analysis, 13 are considered to be at low risk and 21 are considered to be at high risk. DHCD has established risk definitions specific to

funding year. A summary of these definitions provided in the table below. The definition of risk category varies for the FY2022 funding year, as this funding year contained American Rescue Plan Act funding, which has a statutory expenditure deadline of December 31, 2026.

<b>Year</b>	<b>Risk Level</b>	<b>Risk Level Definition</b>
FY22	No Risk	<ul style="list-style-type: none"> <li>• The grantee has not requested a timeline extension beyond the originally approved contract end date; and,</li> <li>• Based on the sole determination of the Office of Broadband, the grantee is not significantly behind the current approved milestone timeline; and,</li> <li>• The timeline for that project does not have an end date in 2026.</li> </ul>
FY22	Low Risk	<ul style="list-style-type: none"> <li>• The grantee has requested a timeline extension beyond the originally approved contract end date; or,</li> <li>• Based on the sole determination of the Office of Broadband, the grantee is significantly behind the current approved milestone timeline and has not yet requested a timeline extension from the original completion date.</li> </ul>
FY22	High Risk	<ul style="list-style-type: none"> <li>• The grantee’s contractual end date is in 2026, regardless of if that end date reflects the original contractually established end date or is a result of an extension.</li> </ul>
FY23, FY24	No Risk	<ul style="list-style-type: none"> <li>• The grantee has not requested a timeline extension beyond the originally approved contract end date; and,</li> <li>• Based on the sole determination of the Office of Broadband, the grantee is not significantly behind the current approved milestone timeline.</li> </ul>
FY23, FY24	Low Risk	<ul style="list-style-type: none"> <li>• The grantee has requested a timeline extension beyond the originally approved contract end date; or,</li> <li>• Based on the sole determination of the Office of Broadband, the grantee is significantly behind the current approved milestone timeline and has not yet requested a timeline extension from the original completion date.</li> </ul>
FY23, FY24	High Risk	<ul style="list-style-type: none"> <li>• The grantee has requested more than one timeline extension beyond the originally approved contract end date.</li> </ul>

DHCD staff continue to closely monitor the continued impact of challenges surrounding make-ready, which includes preparing existing electric poles for aerial broadband network construction. Other deployment challenges which are being monitored by DHCD include supply chain and labor markets, streamlining utility locate efforts, railroad crossings, the permitting process to lay fiber in state-owned rights of way along roads, and permitting to cross federally owned lands. DHCD and its local government and internet service provider partners are continuing to develop innovative solutions to meet these challenges and deliver high-speed broadband access as quickly as possible for residents in these project areas. The project summaries included in this report are updated quarterly on the VATI Project Dashboard, accessible through [dhcd.virginia.gov/vati](https://dhcd.virginia.gov/vati).

Q3 FY2026 Quarterly Performance Report for the Virginia Telecommunication Initiative – FY2022 Projects																
Grantee	Internet Service Provider Partner	Passings in Project Area	Total Passings Provided Broadband Access to Date	Percent Complete Passings Provided Broadband Access to Date	Agreement Start Date	Agreement End Date	Risk	Reason for a Project's Delay (MR, SCL, UL, RR, ROW, FED, OTH, None)	Award Amount	Award Funding Source - (GF, General Fund )(SLFRF, Coronavirus State and Local Fiscal Recovery Fund )(CPF, Coronavirus Capital Projects Fund)	Awarded Funding Expended	Percent Expended, Out of Total Awarded Funding	Total Match Funding	Match Funding Expended	Percent Expended, Out of Total Match Funding	Maximum Advertised Project Speeds Available (Download/ Upload Mbps)
Bedford	ZiTEL	5,644	5,644	100%	06/15/2022	7/1/2025	Low Risk	MR	\$11,480,664.98	GF & SLFRF	\$11,084,989.42	96.55%	\$14,518,564.42	\$15,073,730.37	103.82%	1000/1000
Bedford	Shentel	3,204	3,386	106%	09/09/2022	12/31/2025	Low Risk	MR, UL, RR, ROW, FED	\$6,191,796.33	GF & SLFRF	\$4,764,260.55	76.94%	\$13,911,783.67	\$10,427,896.82	74.96%	1000/1000
Botetourt	Lumos Networks	1,901	1,901	100%	11/01/2022	9/30/2025	Low Risk	MR	\$3,084,796	CPF	\$2,776,316.40	90%	\$4,824,937	\$7,034,801.08	146.8%	1000/1000
Campbell	Shentel	3,509	3,492	100%	09/21/2022	12/31/2025	Low Risk	MR, UL	\$6,443,000	GF & SLFRF	\$6,393,000	99.22%	\$12,978,455	\$14,395,839.17	110.92%	1000/1000
Central Shenandoah Planning District Commission	MGW/ Rob Huff	2,470	1,188	48%	6/1/2022	6/1/2026	High Risk	MR, ROW, FED, OTH	\$7,876,800	SLFRF	\$4,749,064.90	60.29%	\$3,118,706	\$2,473,157.85	79.3%	1000/50
Commonwealth RC	Planet Networks	11,397	7,359	65%	06/14/2022	6/14/2026	High Risk	None	\$15,000,000	GF	\$11,957,513.67	79.72%	\$14,456,495.55	\$10,911,952.49	75.48%	200/10
Cumberland Plateau PDC	Point Broadband	6,982	5,183	74%	09/06/2022	6/30/2026	High Risk	MR	\$23,478,429	CPF	\$15,585,833.86	66.38%	\$6,459,000	\$4,287,719.01	66.38%	1000/500
Eastern Shore of Virginia Broadband Authority	ESVBA	11,091	9,381	85%	6/1/2022	11/30/2024	Low Risk	OTH- customer installs	\$9,382,099.09	SLFRF	\$8,236,666.45	87.79%	\$3,314,865.50	\$1,933,415.49	58.33%	1000/1000
Franklin	Shentel	612	490	80%	12/21/2022	12/31/2025	High Risk	UL, RR, ROW	\$11,970,757	GF & SLFRF	\$10,489,026.56	87.62%	\$18,646,520	\$18,250,382.29	97.88%	1000/1000
Hampton Roads PDC	Charter Communications	11,114	9,793	88%	07/08/2022	6/30/2026	High Risk	ROW	\$21,120,053.50	SLFRF	\$9,294,922.93	44.01%	\$13,839,523	\$6,764,424.39	48.88%	1000/500
Hanover	All Points Broadband	6,198	5,871	95%	8/1/2022	6/30/2026	High Risk	MR	\$13,970,000	SLFRF	\$3,631,562.45	26%	\$41,469,332	\$6,362,226.54	15.34%	1000/1000
King William	All Points Broadband	2,236	2,236	100%	8/3/2022	3/31/2025	Low Risk	MR	\$5,400,000	SLFRF	\$4,859,999.93	42%	\$12,330,632	\$14,828,144.58	120%	1000/1000
LENOWISCO PDC	Scott County Telephone Cooperative	10,982	6,533	59%	06/13/2022	6/30/2026	High Risk	MR, RR	\$22,190,500	SLFRF & CPF	\$15,990,068.14	72.06%	\$6,354,500	\$4,740,022.66	74.59%	1000/1000
Loudoun County	All Points Broadband	8,629	774	9%	7/1/2022	6/30/2026	High Risk	MR	\$17,524,000	SLFRF	\$4,003,000.96	22.84%	\$42,376,126	\$5,448,166.80	12.86%	1000/1000
Middlesex County	All Points Broadband	970	999	103%	7/22/2022	7/31/2025	Low Risk	MR	\$2,050,000	SLFRF	\$1,845,000	90%	\$8,453,887	\$10,184,558.02	120%	1000/1000
Mount Rogers	Citizens	4,914	3,786	77%	9/12/2025	6/30/2026	High	OTH -	\$7,530,000	CPF	\$428,732.02	5.69%	\$353,968	\$24,194.85	6.84%	1000/1000

PDC							Risk	rescope									
Mount Rogers PDC	Point Broadband	22,580	21,903	97%	06/01/2022	11/30/2025	Low Risk	MR	\$58,703,228	CPF	\$53,562,446.46	81%	\$29,405,277.42	\$29,870,642.96	101.58%	1000/500	
New River Valley Regional Commission	Gigabeam	12,094	1,990	16%	03/13/2023	3/13/2026	High Risk	RR	\$39,233,355	CPF	\$27,955,896.38	71.26%	\$38,247,340	\$29,243,641.43	76.46%	1000/1000	
New River Valley Regional Commission	All Points Broadband	7,872	2185	28%	12/06/2022	6/30/2026	High Risk	MR	\$29,122,000	CPF	\$5,913,400.39	20.31%	\$26,103,057.19	\$4,594,339.19	17.6%	1000/1000	
Northern Neck Planning District Commission	All Points Broadband	3,411	3,411	100%	9/22/2022	3/31/2025	Low Risk	MR	\$3,190,500	SLFRF	\$2,871,450	90%	\$20,477,692	\$20,477,677.64	99.99%	1000/1000	
Northern Shenandoah Valley Regional Commission	All Points Broadband	32,238	1,588	5%	7/22/2022	6/30/2026	High Risk	MR	\$96,873,500	SLFRF	\$23,932,464.28	25%	\$206,243,317	\$35,823,220.74	17.37%	1000/1000	
Roanoke	B2X	520	45	9%	09/22/2022	4/30/2026	High Risk	SCL, OTH-land use agreement	\$170,609	GF	\$35,295.43	20.69%	\$177,572	\$40,817.85	22.99%	25/4	
Roanoke	Cox	396	250	63%	9/1/2022	4/15/2026	High Risk	FED	\$1,535,264	SLFRF	\$0	0%	\$1,597,927	\$0	0%	940/35	
Roanoke	Comcast	48	0	0%	6/13/2025	3/31/2026	High Risk	None	\$348,640	SLFRF	\$0	0%	\$462,880	\$0	0%	1000/1000	
Shenandoah County Public Schools	Shentel	4,139	4,090	99%	8/1/2022	12/31/2025	Low Risk	MR, UL	\$12,176,662	SLFRF	\$10,958,995.80	90%	\$20,733,235	\$20,733,234.97	100%	1000/1000	
Southside PDC	EMPOWER Broadband	14,634	10,386	71%	07/22/2022	6/22/2026	High Risk	OTH: Dominion mainline behind schedule.	\$69,431,635	SLFRF	\$60,830,873.40	87.61%	\$84,677,555	\$75,198,167.54	88.81%	1000/1000	
Thomas Jefferson PDC	Firefly Broadband	38,785	30,463	79%	08/15/2022	6/30/2026	High Risk	RR, FED	\$84,810,054	SLFRF & CPF	\$69,828,003.02	82.33%	\$218,753,880	\$179,845,760.65	83.36%	1000/1000	
West Piedmont PDC - Dinwiddie	RuralBand	417	417	100%	07/03/2022	12/31/2026	High Risk	None	\$638,718	SLFRF	\$574,261.45	89.91%	\$50,570	\$423,531.54	837.52%	1000/1000	
West Piedmont PDC - Dinwiddie	RiverStreet Networks	5,009	0	0%	06/20/2022	6/30/2026	High Risk	RR, ROW	\$6,893,337	SLFRF	\$1,267,198.49	18.38%	\$18,974,275	\$1,768,161.12	9.32%	1000/107300	
West Piedmont PDC (East)	RiverStreet Networks	24,641	8,386	34%	08/03/2022	6/30/2026	High Risk	RR, ROW	\$87,003,888	SLFRF	\$63,858,417.70	73.4%	\$65,421,341	\$42,344,360.23	64.73%	1000/1000	
West Piedmont PDC (West)	RiverStreet Networks	10,056	33	0%	09/30/2022	6/30/2026	High Risk	FED, ROW	\$33,571,073	CPF	\$10,438,793.06	31.09%	\$59,425,085	\$3,124,052.93	5.26%	1000/1000	

**\*Data as of February 2026 Monthly Project Reports, which reflect project statistics through the end of January 2026.**

**Abbreviations for Reasons for Project's Delay:** MR – Make Ready, SCL – Supply Chain and Labor, UL – Utility Locates, RR – Railroad, ROW – Right of Way Permitting along State Roads, FED – Federal Land Permitting Challenges, OTH – Other (Described)

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Grantee	Internet Service Provider Partner	Passings in Project Area	Total Passings Provided Broadband Access to Date	Percent Complete Passings Provided Broadband Access to Date	Agreement Start Date	Current Contract End Date	Risk	Reason for a Project's Delay (MR, SCL, UL, RR, ROW, FED, OTH, None)	Award Amount	Award Funding Source - (GF, General Fund)	Awarded Funding Expended	Percent Expended, Out of Total Awarded Funding	Total Match Funding	Match Funding Expended	Percent Expended, Out of Total Match Funding	Maximum Advertised Project Speeds Available (Download/ Upload Mbps)
Bedford	Shentel	565	562	99%	4/1/2024	12/31/2025	Low Risk	MR, UL, RR	\$1,373,161.74	GF	\$1,235,845.57	90%	\$3,204,044.05	\$2,990,996.63	93.35%	1000/1000
Caroline County	Breezeline	3,910	1,409	36%	10/23/2024	10/23/2026	Not at Risk	MR	\$6,446,000	GF	\$2,785,774.14	43.22%	\$15,247,000	\$7,321,456.60	48.02%	1000/600
Chesterfield County	All Points Broadband	494	0	0%	12/1/2023	11/30/2026	Not at Risk	None	\$755,523	GF	\$0	0%	\$12,494,553.22	\$0	0%	1000/1000
Essex County	Breezeline	3,526	1,287	37%	09/06/2023	9/6/2026	Not at Risk	MR	\$8,753,009	GF	\$2,209,879.94	25.25%	\$19,113,941	\$5,361,904.06	28.05%	1000/600
Henrico County	All Points Broadband	412	0	0%	12/1/2023	6/30/2026	Not at Risk	None	\$501,620	GF	\$0	0%	\$6,027,280.42	\$0	0%	1000/1000
Shenandoah County Public Schools	Shentel	2,440	2,371	97%	9/26/2023	12/31/2025	Low Risk	MR	\$4,936,968	GF	\$4,443,271.20	90%	\$9,168,655	\$9,168,657.34	100%	1000/1000
Southside PDC	EMPOWER Broadband	4,804	2,181	45%	9/26/2023	9/26/2026	Not at Risk	None	\$8,556,028.84	GF	\$2,663,704.07	31.13%	\$21,677,288.16	\$6,706,990.40	30.94%	1000/1000
West Piedmont PDC (East)	RiverStreet Networks	3,356	1,219	36%	11/6/2023	11/6/2026	Not at Risk	None	\$8,155,864	GF	\$6,765,584.28	82.95%	\$5,205,136	\$4,364,706	83.85%	1000/1000
West Piedmont PDC (Pittsylvania)	RiverStreet Networks	2,102	855	41%	10/5/2023	10/5/2026	Not at Risk	None	\$3,548,250	GF	\$3,163,932.50	89.17%	\$1,856,750	\$1,612,636.68	86.85%	1000/1000
West Piedmont PDC (West)	RiverStreet Networks	4,526	7	0%	2/28/2024	12/31/2026	Low Risk	None	\$8,013,600	GF	\$680,314.90	8.49%	\$5,386,400	\$17,149.89	0.32%	1000/1000
<b>*Data as of February 2026 Monthly Project Reports, which reflect project statistics through the end of January 2026.</b>																
<b>Abbreviations for Reasons for Project's Delay:</b> MR – Make Ready, SCL – Supply Chain and Labor, UL – Utility Locates, RR – Railroad, ROW – Right of Way Permitting along State Roads, FED – Federal Land Permitting Challenges, OTH – Other (Described)																

Q3 FY2026 Quarterly Performance Report for the Virginia Telecommunication Initiative – FY2024 Projects																
Grantee	Internet Service Provider Partner	Passings in Project Area	Total Passings Provided Broadband Access to Date	Percent Complete Passings Provided Broadband Access to Date	Agreement Start Date	Current Contract End Date	Risk	Reason for a Project's Delay (MR, SCL, UL, RR, ROW, FED, OTH, None)	Award Amount	Award Funding Source - (GF, General Fund )	Awarded Funding Expended	Percent Expended, Out of Total Awarded Funding	Total Match Funding	Match Funding Expended	Percent Expended, Out of Total Match Funding	Maximum Advertised Project Speeds Available (Download/ Upload Mbps)
Thomas Jefferson PDC	Firefly	5,825	150	3%	11/1/2024	12/31/2026	Not at Risk	None	\$12,208,500	GF	\$2,849,760	23.34%	\$36,427,182	\$8,231,962.77	12.39%	1000/1000
Southside PDC	Empower	3,757	2962	79%	11/13/2024	6/30/2027	Not at Risk	None	\$3,353,579	GF	\$64,000	1.91%	\$3,153,579	\$0	0%	1000/1000
Giles County	PemTel	629	0	0%	1/21/2025	1/21/2027	Not at Risk	None	\$4,199,596	GF	\$459,907,38	10.95%	\$1,343,604	\$448,184.99	33.36%	1000/1000
Franklin County	ZITEL	2,543	526	21%	1/21/2025	7/21/2026	Not at Risk	None	\$4,538,288	GF	\$2,078,897.96	45.81%	\$7,737,355	\$3,932,153.40	50.82%	1000/1000
Carroll County	ZITEL	2,214	0	0%	7/10/2025	7/10/2027	Not at Risk	None	\$10,199,624	GF	\$3,121,627.62	30.61%	\$7,694,453	\$2,646,568.98	34.4%	1000/1000
Rockbridge BARC	BARC	293	11	4%	11/4/2024	11/4/2026	Not at Risk	None	\$1,197,320	GF	\$0	0%	\$1,653,443	\$0	0%	1000/1000
Rockbridge	Brightspeed	976	40	4%	4/10/2025	5/7/2027	Not at Risk	None	\$975,865	GF	\$0	0%	\$3,901,517	\$0	0%	1000/1000
Alleghany County	CBEC	370	0	0%	11/21/2024	6/13/2026	Not at Risk	None	\$2,332,353	GF	\$1,252,955.60	53.72%	\$1,019,580	\$537,242.20	52.69%	1000 / 1000
Orange County	FiberLync	546	234	42%	8/8/2024	8/8/2026	Not at Risk	None	\$2,138,416	GF	\$1,051,042.92	49.15%	\$3,155,780	\$2,922,751.91	92.62%	1000/1000
Botetourt	Comcast	62	0	0%	12/12/2024	12/12/2026	Not at Risk	None	\$395,411	GF	\$0	0%	\$232,225	\$0	0%	1000 / 1000
<b>*Data as of February 2026 Monthly Project Reports, which reflect project statistics through the end of January 2026.</b>																
<b>Abbreviations for Reasons for Project's Delay:</b> MR – Make Ready, SCL – Supply Chain and Labor, UL – Utility Locates, RR – Railroad, ROW – Right of Way Permitting along State Roads, FED – Federal Land Permitting Challenges, OTH – Other (Described)																