



Memorandum

TO: GO Virginia Board Members

FROM: DHCD Staff

RE: GO Virginia Match Waiver Administrative Guidance

DATE: 09/12/2023

BACKGROUND: On June 30, 2023, the modified match requirements for Per Capita implementation grants expired and the Board approved a plan to return to the minimum total project match required by state law. The Board also took action to amend the local match requirement.

Pursuant to § 2.2-2489 of the Code of Virginia, any grant awarded from the Virginia Growth and Opportunity Fund shall require matching funds at least equal to the grant. However, the GO Virginia State Board has the authority to reduce the match requirement to half of the grant upon a finding of fiscal distress or an exceptional economic opportunity in a region.

The Board directed DHCD to develop administrative guidance to implement the new match policy, including objective criteria, in collaboration with regional council support organization staff.

The documents following this memo include the guidance and the templates to request a waiver of Total Match requirement as well as Local Match requirement.

RECOMMENDATION: DHCD staff recommends the approval of the administrative guidance and related templates.



Match Waiver Request Guidelines

I. Overview

Pursuant to § 2.2-2489 of the Code of Virginia, any grant awarded from the Virginia Growth and Opportunity Fund shall require matching funds at least equal to the grant. However, the GO Virginia State Board has the authority to reduce the match requirement to half of the grant upon a finding of fiscal distress or an exceptional economic opportunity in a region. At the June 2023 State Board meeting, Board members directed DHCD staff to develop a formal process for how the Board will review these requests.

II. Total Match Waiver

Projects requesting a reduction of the total match required for a project must meet the criteria established in state code of demonstrating either fiscal distress or an extraordinary economic opportunity. The Board has established one (1) criterion to demonstrate fiscal distress and three (3) primary criteria to demonstrate exceptional economic opportunity.

To become eligible for a waiver under the fiscal distress criterion, at least 50% of the participating localities meet the Virginia Economic Development Partnership's definition for Economic Distress – Double Distress. (A locality with an unemployment rate above the average statewide unemployment rate and with a poverty rate above the statewide average poverty rate.)

To become eligible for a waiver under the exceptional economic opportunity criteria, applicants may select of more of the following:

1. The application demonstrates strong alignment with primary GO Virginia program goals.
 - Regional Collaboration - Majority of the match being contributed is local match (cash or in-kind).
 - Industry Cluster Engagement - Majority of match contributions for this effort are being contributed by industry partners.
 - Job Growth Accelerator - This project will increase employment in the targeted industry cluster by at least 10% over a base (see most recent G&D plan for baseline numbers).
 - Transformational Economic Diversification - This project will lead to growth in a new or emerging industry cluster with the potential to significantly diversify the regional



economy.

2. This application aligns with the Commonwealth’s InnoVAtive Framework for Economic Development and will support the expansion of the knowledge sector, manufacturing, or logistics industry.

This application will enable the subgrantee to leverage this award to pursue a nonstate funding opportunity in an amount at least two times the amount of this grant request. This award decision on the nonstate funding opportunity must be made within 12 months of the State Board approving the project.

III. Local Match Waiver

Projects requesting a full or partial waiver of the local match required for an implementation project should demonstrate that localities are unable to provide the required contribution, either through the majority of localities being categorized as having “high” or “above average” levels of fiscal stress in the Commission on Local Government’s [Fiscal Stress Index](#), or a demonstration of effort to solicit support from the participating localities and supporting letters explaining why they are unable to support the project.

IV. Process

GO Virginia Regional Councils must submit any match waiver request(s) on behalf of the applicant when submitting the application. The match waiver request form(s) must be submitted as part of the application package and final determination will be made by the GO Virginia State Board.

DHCD is unable to administratively approve applications which include a match waiver request. All waiver requests must be reviewed and approved by the GO Virginia State Board.



Total Match Waiver Request

{Date}

Attn: GO Virginia State Board

The GO Virginia Region {number} Council is requesting a state board waiver of the total match requirement on behalf of {subgrantee} for {project name}. This project is performed on behalf of the following participating localities {list here}.

We are requesting a waiver in the amount of {\$amount} under the following conditions (please check all that apply) and are submitting a project budget aligned with our request. This project represents **fiscal distress and/or exceptional economic opportunity** under one or more of the following criteria (please select all that apply):

- At least 50% of the participating localities meet the Virginia Economic Development Partnership's definition for Economic Distress – Double Distress. (A locality with an unemployment rate above the average statewide unemployment rate and with a poverty rate above the statewide average poverty rate.)
- This application demonstrates strong alignment with primary GO Virginia program goals check all that apply).
 - a. Regional Collaboration - Majority of the match being contributed is local match (cash or in-kind).
 - b. Industry Cluster Engagement - Majority of match contributions for this effort are being contributed by industry partners.
 - c. Job Growth Accelerator - This project will increase employment in the {industry cluster name as stated in the regional G&D Plan} by at least 10% over a base (see most recent G&D plan for baseline numbers).
 - d. Transformational Economic Diversification - This project will lead to growth in a new or emerging industry cluster {industry cluster name as stated in the regional G&D Plan} with the potential to significantly diversify the regional economy.
- This application aligns with the Commonwealth's InnoVAtive Framework for Economic Development and will support the expansion of the knowledge sector, manufacturing, or logistics industry.
- This application will enable the subgrantee to leverage this award to pursue a nonstate funding opportunity in an amount at least two times the amount of this grant request. This award decision on the nonstate funding opportunity must be made within 12 months of the State Board approving the project.

Please briefly describe the non-state source and timing of that funding decision.

{Regional Council Chair Signature}



Local Match Waiver Request

{Date}

Attn: GO Virginia State Board

The GO Virginia Region {number} Council is requesting a state board waiver of the local match requirement on behalf of {subgrantee} for {project name} This project is being performed by the subgrantee on behalf of the following participating localities: {list here}.

We are requesting a local match waiver in the amount of {\$amount} under the following conditions (please check one) and are submitting a project budget aligned with our request.

50% or more of the participating localities have fiscal stress rated as High or Above Average as measured by the Fiscal Stress Index published by the Commission on Local Government and are unable to support this project.

OR

50% or more of the participating localities do NOT meet the above criteria for fiscal stress, however, the applicant has attempted to solicit the local contribution and they are unable to provide it.

Please describe why the participating localities have been unable to provide the local contribution as well as a letter of support from each describing how they will meaningfully participate in the project.

{Regional Council Chair Signature}