

V I R G I N I A

MAIN

VIRGINIA DEPARTMENT
OF HOUSING AND
COMMUNITY DEVELOPMENT

Street

Virginia Main Street Financial Feasibility Study Application Manual



FY2022

Virginia Main Street Financial Feasibility Grant

The [Virginia Main Street Program](#) (VMS) is a community economic development program that follows the Main Street Approach of the National Main Street Center. Each year local Main Street organizations work to attract the necessary public and private investment to their historic commercial districts in order to: (1) breathe new life into blighted and vacant buildings; (2) establish and expand independent businesses that make downtowns fun and unique consumer destinations; and (3) create mixed-use downtowns where people once again live above bustling commercial establishments and property owners maximize the productive use of every floor of downtown buildings.

The cumulative success of the Main Street Approach and local programs has earned Main Street the reputation as a powerful economic revitalization tool. In 2019 alone, VMS designated communities reported:

- \$115 million in privately funded improvements to historic downtown districts;
- \$44 million in public improvements to help encourage private investment in downtowns;
- more than 190 unique businesses created in historic commercial districts, and;
- more than 730 new jobs created for local community members seeking employment.

The Financial Feasibility Grant allows communities to work with owners of significant “white elephant” buildings or structures with non-productive upper floor space. These buildings could be (functionally) vacant and/or deteriorated properties whose poor condition creates a notion of physical and economic blight in the surrounding area, which is often a deterrent for development. This grant also allows for small-scale development by providing feasibility resources to new or beginning developers for buildings within the district. The purpose is to identify the highest and best use of such properties and develop any necessary plans or studies that will allow the owner to develop the property or allow the Main Street organization to “shop” the rehabilitation and reuse of said property to private developers and investors. Feasibility grants typically fund the development of preliminary design reports and renderings, building code and zone assessments, pro forma development and construction estimates, as well as environmental reports, market demand studies, and gap-financing research as needed for identified properties. However, all projects will receive consideration.

Financial Feasibility funds will not be awarded for continuing operations, program administration, payroll, debts, or any other operational expenses. Funds are for use in projects directly benefitting the Virginia Main Street (VMS) community, with a preference given to projects involving multiple partners, and cannot be used to cover marketing and printing costs.

Award Amounts

Award amounts will be based on expressed project needs and a tiered structure. No project will receive funds exceeding \$25,000.

Level 1

- i. Code and zoning assessment
- ii. Building programming – identification of highest and best use
- iii. Pro forma development and construction budget
- iv. Preliminary design concepts and basic rendering sketches

Level 2

- v. Professional market demand study for proposed new building use
- vi. Environmental assessment (Phase 1)
- vii. Assessment of all available incentives and tax credits
- viii. Letters of Intent (LOIs) for Historic Tax Credit investors, where applicable or available
- ix. Financing plan
- x. Identification of tenants or end users, residential and commercial, if applicable.

Leverage Requirement

No match is required for FY2022 Financial Feasibility Grants. However, it may be necessary to secure additional leverage funding from other resources in order to meet all components needed to determine feasibility and full assessment of the property.

Project Implementation Period

July 1, 2021 – May 31, 2022 (final report due); all disbursements must be completed by May 31, 2022. Quarterly reporting through CAMS is required. All projects must be underway no later than October 1, 2021.

Grant Eligibility

Grants are available to designated Advancing Virginia Main Street communities and can be administered through the designated local Main Street organization or local government. Nationally accredited communities are given first priority. Applicants must be current on all VMS and DHCD reports at the time of application and must remain in compliance throughout the grant period.

DHCD will consider applications from Advancing Main Street communities on a **first come, first served basis until August 1, 2021**.

After August 1, 2021 and until October 1, 2021, DHCD will consider applications from high functioning Exploring Main Street, Mobilizing Main Street and Advancing Virginia Main Street communities, should all program funding not be fully obligated by August 1, 2021.

No organization and/or locality will be allowed to have more than one open Financial Feasibility Grant at a time.

All applicants must comply with DHCD’s financial auditing requirements by uploading a copy of the organization’s W-9 and a copy of the organization’s most recent audit or financial statements, as applicable, to CAMS with grant the application. See the [DHCD audit policy](#) for more information.

Characteristics of a Strong Application

A strong application will clearly explain how the redevelopment of the proposed building would be catalytic for the Main Street community. The application should demonstrate that the successful redevelopment of this property will have significant economic benefits for the Main Street community and will result in a stronger, more diversified business environment in the Main Street district and/or increased downtown housing.

An effective application will indicate the strong likelihood of redevelopment, based on owner willingness or identified willing developers, and that these feasibility funds are necessary to move the project forward.

Grant Selection

Grant proposals are reviewed and awarded on a first-come, first-served basis. Grant funds are limited and only those proposals exceeding the minimum 70-point threshold will be considered for funding. The project scoring methodology is as follows:

Scoring Criteria	Points
Project’s relationship to vision	15
Likelihood of future redevelopment	30
Impact of the building on the Main Street District	25
Organizational capacity/readiness	20
Realistic work plan for project	10
Total	100

Grant Payment

Funding will be reimbursed on a performance basis.

For projects that only require Level 1 assessment, payment will be made upon the completion of those activities listed above. Should the project prove to be viable after Level 1, the grantee may request funding to complete Level 2, which is project specific studies and reports. DHCD, at its

discretion, may continue funding for Level 2 activities. At no point will DHCD grant more than \$25,000 per project.

DHCD reserves the right to only fund Level 1 activities for any project application. DHCD reserves the right to only fund Level 2 activities for any project, if it is determined that Level 1 activities have been satisfactorily completed previously.

If a Financial Feasibility Grant is awarded, DHCD reserves the right to end funding at any point should the project prove nonviable. This includes, but is not limited to, lack of progress in conformance with the approved Memorandum of Understanding.

Submission Requirements and Instructions

Applications with supporting documentation must be submitted electronically through the Agency's Centralized Application and Management System (CAMS). Applications will be accepted on a first-come, first-served basis. To access CAMS, visit the website at www.dhcd.virginia.gov and click on the CAMS icon in the upper-right hand corner. Please note: Technical support for CAMS is available weekdays between 8:30 am and 4:30 pm.

Google Chrome is the recommended browser for CAMS. Remember to SAVE often.

Applicants must submit completed responses to all applicable questions and include all required attachments.

Application Instructions

The application in CAMS will require the organization to complete each tab:

1. **Project Information:** Include the primary point of contact, primary location of the project.
2. **Project Budget:** Complete budget information, including grant requested funding and other match funding, as applicable. Within the budget narrative space, describe how the budget was derived and sources of other funding.
3. **Narrative Information:** Answer narrative questions related to the project, timeline, budget and outcomes (see the questions below).
4. **Attachments:** Upload multiple supporting documents as attachments (see required and optional attachments below).
5. **Additional Information:** This is not required, but if you have additional information to describe or share that was not requested in the application, please include it here.

Project Description

Enter the following information into the relevant text box within the Narrative Information tab on CAMS. Please limit responses to no more than 500 words per text box (about one written page).

1. Provide a description of the property. Include the location within the district, any historic uses and the current use.
2. Describe how addressing the property identified for the feasibility study furthers the community's vision for the Main Street district.
3. Discuss any current threats and opportunities posed by the property to the ongoing revitalization of the Main Street district. If nothing is done, what impact will that have? If redevelopment is done, what impact will that have?
4. Discuss the willingness of the current property owner to facilitate a feasibility study. Is the current owner willing to act as the developer or will the property be "shopped" to other developers?
5. What staff, volunteers, professional services, etc. team has been assembled to conduct this feasibility study? What will their role be and what is their experience with development/building projects?
6. Describe the timeline of activities for the project to complete the study.

Attachments - Required Supporting Documents

1. **Mission/Vision:** Include the community's vision statement for the Main Street district and mission statement for the Main Street organization.
2. **Project Team:** Include a current list of team members and what their roles will be. Identify any team members that have not yet been selected and the timeline for when they will be brought onto the team. Provide documentation of the property owner's willingness to participate.
3. **Project Work Plan:** Provide an effective and appropriate work plan for the project that includes tasks, responsible individuals, timeline, and budget. Please use a format similar to the one included in Appendix A. (Note: A strong score in this area will be based on appropriate board involvement in the project).
4. **Budget/Cost Estimates/Leverage Documentation:**
 - a. Project Budget – Provide a project budget that includes all project related line items for expenditures and all project related line items for funding sources.
 - b. Explanation of Cost Estimates – Provide detailed information on the source of the cost estimates and the date the estimates were received.
 - c. Leverage Verification (not required) – Provide verification of leverage funds including contracts, Memorandums of Understanding/Agreements, award letters, and other documentation that confirms the commitment of other resources for the project.
5. **Visual Documentation:** Upload any photographs of the building and a map showing the condition and location of the property must be submitted.

6. **Plans/Studies:** Submit any studies or additional background information that have already been completed on the building.

Appendix A – Work Plan Template

Main Street Work Plan

Committee _____ Page ____

Related Board Transformation Strategy/Goal(s): _____

Project Description: _____ Project Completion date: _____

Anticipated Results/Measure of Success: _____

Person Responsible: _____ Phone: _____ E-mail: _____

Project Team Members: _____

<i>Tasks</i>	<i>Person Responsible</i>	<i>Start and End Date</i>	<i>Cost</i>	<i>Revenue Generated</i>	<i>Volunteer Hours Needed</i>	<i>Staff Hours Needed</i>	<i>Progress/Completion/Comments</i>

TOTAL: \$ _____ \$ _____