



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**
Partners for Better Communities

Virginia Association of Counties

Community Development and Planning Steering Committee

August 16, 2013
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Objective

A better understanding of the role of the Department of Housing and Community Development
and
the resources, strategies and opportunities for
community economic development within your
community and region.

DHCD: What We Do

Improve affordable housing opportunities

- Homeownership creation
- Substandard housing improvement
- Homeowner preparation
- Housing preservation
- Neighborhood stabilization
- Individual financial development
- Homeless reduction strategies

DHCD: What We Do

Strengthen local economies

- Economic restructuring
- Industrial development and attraction
- Downtown revitalization
- Entrepreneurial support
- Asset-based development
- Quality of life as an economic development asset

DHCD: What We Do

Encourage regional collaborations

- Strategic development
- Planning assistance
- Resource alignment
- Facilitation
- Support for PDCs

DHCD: What We Do

Invest in communities

- Water and sewer
- Healthcare in underserved areas
- Broadband
- Workforce development

DHCD: What We Do

Adopt statewide building and fire codes

- Strive for uniformity in code administration
- Balance public safety and affordability
- Work to improve professionalism and skill of enforcement community
- View building codes in context of commerce

DHCD: How We Do It

Technical Assistance - Training - Financial Resources

- Assist in the development of potential projects
- Engage with the community planning process
- Align grant resources with technical assistance and training
- Collaborate with other funders to maximize the reach and impact of resources
- Partner with local governments, and intermediaries, nonprofits, and the private sector

Key Issues - Federal

- Reduction in federal funding has diminished capacity
 - CDBG reduced by 25% over three years
 - HOME reduced by 40% over two years
 - Continued threat of sequester
- \$115 million in stimulus funding has been fully expended
- Other federal funds typically leveraged have also been reduced

Key Issues - State

- Governor's Rural Jobs Council recommends
 - Increased funding for Building Collaborative Communities
 - Need for additional support for small business finance
 - Increased support for broadband planning and deployment in underserved areas
- Need for additional resources focused on a coordinated approach to entrepreneurship and community economic development
 - Focus on supporting community and regional initiatives

Key Issues - State

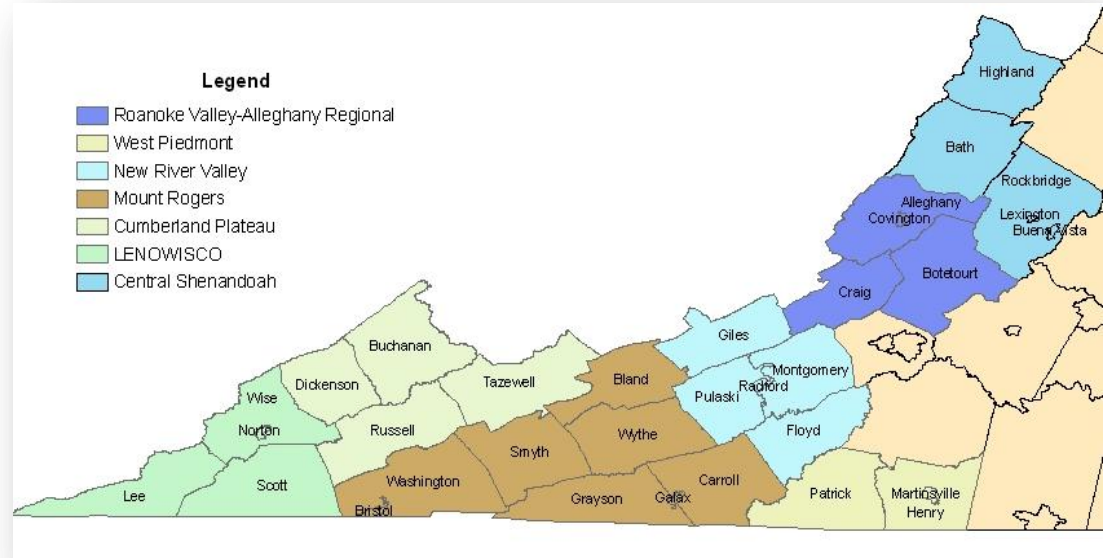
- Existing state and federal funding for water and wastewater focused on predominantly compliance issues on existing systems
- WQIF targeted almost exclusively to Chesapeake Bay cleanup
 - Consider refunding the Southern Rivers program
- Demand for Industrial Revitalization Fund far exceeds available funding

Community Development Block Grants (CDBG)

- Non-entitlement communities
- Flexible, wide range of activities, such as:
 - infrastructure for new or expanding industries
 - new or improved water and sewer systems in rural areas
 - rehabilitation of housing
 - revitalization of commercial districts
- Projects must meet one of three broad national objectives:
 - benefit low- and moderate-income persons
 - prevent or eliminate slums or blight
 - address an urgent community development need (public emergency or health threat)

Appalachian Regional Commission

- Limited to certain geographic areas of the Commonwealth
- Bring the region into the economic mainstream
 - Jobs
 - Capacity to compete (Health, Education, Training)
 - Infrastructure
- Asset-based development
 - Leverage locally-based cultural, natural, community, structural, and economic assets



Virginia Main Street

- Community-based strategy to reverse economic and physical decline in traditional downtown business districts
 - 26 Designated Main Street Communities
 - Over 70 DHCD Commercial District Affiliates
- Technical assistance and training focused on
 - Organization – building partnerships
 - Promotion – marketing a positive image
 - Design – improving the physical environment
 - Economic Restructuring – strengthening and expanding existing assets

Building Entrepreneurial Economies (BEE)

- Entrepreneurship is a vital part of community economic development
- Business formation that supports economic restructuring strategies
- Increase capitalization through comprehensive *micro-finance*
- Entrepreneurship support from local governments and foundations
- Network of referrals and collaborative assistance
- Planning Grants – up to \$7,500 to help develop strategies to assist micro-entrepreneurs.
- Innovation Grants – up to \$35,000 to help implement innovative strategies to assist micro-entrepreneurs
- Performance Grants – for qualified micro-enterprise development organizations

Building Entrepreneurial Economies (BEE)

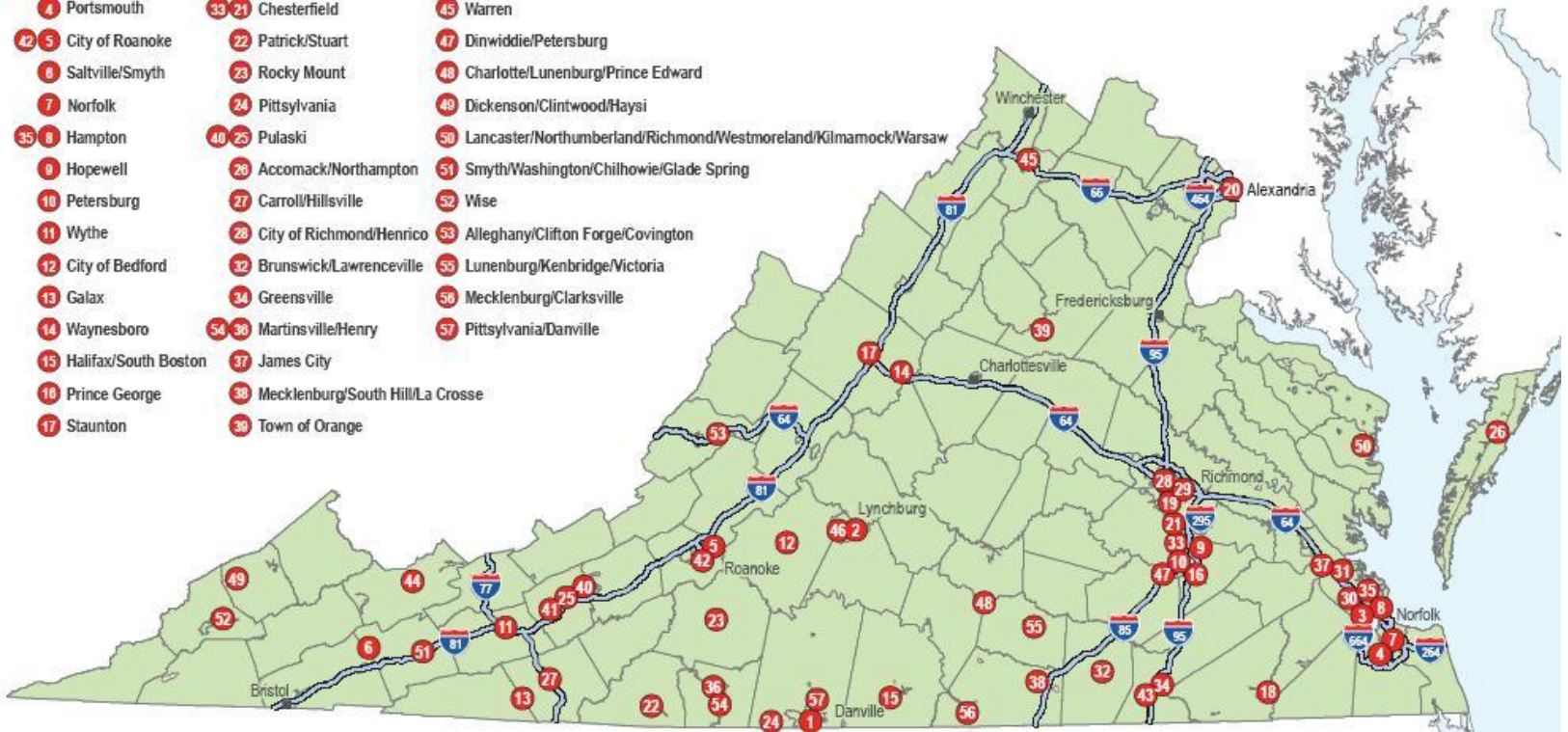
- Micro-enterprise:
 - five and fewer employees, capital needs of \$50,000 or less
- “Underserved” entrepreneurs
 - Rural, low income, women and minorities
- Comprehensive approach by service providers
 - Pre-Business Training
 - One-on-One Technical Assistance
 - Access to Credit
 - Post-Loan Assistance
- DHCD supports service providers; fosters innovation

Virginia Enterprise Zone Program

- Significant policy change as a result of 2005 legislation and Senate Finance-initiated study
- Focus shifted from tax credits to grants and increased targeting to distressed communities
- Eventual transition to 30 zones (57 current)
- Real property and job grants funded at \$14 million currently (no proration for last two years, but subject to change with demand)

Virginia Enterprise Zone Program

- | | | |
|-------------------------|---|--|
| 1 Danville | 18 Franklin/Southampton/
Isle of Wight | 41 Town of Pulaski |
| 46 2 Lynchburg | 26 18 City of Richmond | 43 Greenville/Emporia |
| 30 31 3 Newport News | 20 Alexandria | 44 Tazewell |
| 4 Portsmouth | 33 21 Chesterfield | 45 Warren |
| 42 5 City of Roanoke | 22 Patrick/Stuart | 47 Dinwiddie/Petersburg |
| 6 Saltville/Smyth | 23 Rocky Mount | 48 Charlotte/Lunenburg/Prince Edward |
| 7 Norfolk | 24 Pittsylvania | 49 Dickenson/Clintwood/Haysi |
| 35 8 Hampton | 40 25 Pulaski | 50 Lancaster/Northumberland/Richmond/Westmoreland/Kilmamock/Warsaw |
| 9 Hopewell | 26 Accomack/Northampton | 51 Smyth/Washington/Chilhowie/Glade Spring |
| 10 Petersburg | 27 Carroll/Hillsville | 52 Wise |
| 11 Wythe | 28 City of Richmond/Henrico | 53 Alleghany/Clifton Forge/Covington |
| 12 City of Bedford | 32 Brunswick/Lawrenceville | 55 Lunenburg/Kenbridge/Victoria |
| 13 Galax | 34 Greenville | 56 Mecklenburg/Clarksville |
| 14 Waynesboro | 54 36 Martinsville/Henry | 57 Pittsylvania/Danville |
| 15 Halifax/South Boston | 37 James City | |
| 16 Prince George | 38 Mecklenburg/South Hill/La Crosse | |
| 17 Staunton | 38 Town of Orange | |



Industrial Revitalization Fund (IRF)

- Reinvests in derelict industrial and commercial structures and returns them to economic use
- \$2 million available in FY2014
- Encourages job creation and private investment with overall goal of community revitalization
- Key factors:
 - Vacant, blighted structure impeding economy
 - Alignment with local or regional strategy
 - Feasible end use identified

Building Collaborative Communities

- Goal is to increase regional economic development through both increased capacity and diversifying focus
- \$200,000 available in 2013 to support regional economic collaborations
- Economically distressed areas that stimulate job creation, economic development, and provide a significant return on State investment
- 2012 Grantees
 - Virginia's Growth Alliance (Southern Virginia)
 - Fields of Gold (Central Shenandoah)
 - Virginia's Gateway Region (Petersburg/Crater Region)
 - Southwest Virginia Regional Recreation Authority (Spearhead Trails)
 - West Piedmont Workforce (Martinsville/Danville)