Abigail Spanberger
Governor

Carrie Chenery
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

Tamarah Holmes, PhD
Director

October 9, 2026

MEMORANDUM

TO: Board of Housing and Community Development Members

FROM: DHCD Staff

SUBJECT: Board of Housing and Community Development Meeting – October 19, 2026

Enclosed is the agenda and information package for the Board of Housing and Community Development meeting to be held on **Monday, October 19, 2026**. The full Board will convene at 10:00 a.m. The Board meeting will be held in an all-virtual format via Microsoft Teams. Below is the link for the meeting:

Electronic Meeting Access Information
Microsoft Teams Joining Information: Click here to join the meeting
Meeting ID: 241 997 229 628 171 | Passcode: U2um9gw3
Call in (audio only) +1 434-230-0065 | Phone Conference ID: 352 352 817#

Please contact DHCD staff as soon as possible to let us know if you will not be able to attend. We can be reached at andrew.malloy@dhcd.virginia.gov or at 804-836-5094. Please let us know if you have any questions or if there is anything we can do to be of assistance.

Enclosure

AGENDA

BOARD OF HOUSING and COMMUNITY DEVELOPMENT
Monday, October 19, 2026
All-Virtual Public Meeting
Via Microsoft Teams

Public Comment before the Board will begin at 10:00 AM.
Each speaker will be limited to one minute of speaking time and there will be one half-hour total for public comment on a first come first served basis. Please contact andrew.malloy@dhcd.virginia.gov to sign up for public comment.

Electronic Meeting Access Information
Microsoft Teams Joining Information: Click here to join the meeting
Meeting ID: 241 997 229 628 171 | Passcode: U2um9gw3
Call in (audio only) +1 434-230-0065 | Phone Conference ID: 352 352 817#

I.	OPENING	
	a. Call to Order	Chair
	b. Roll Call	DHCD Staff
	d. Public Comment	Chair
II.	CONSENT AGENDA ○ ***Approval of Minutes***: July 13, 2026	Chair
III.	RESOLUTIONS TO COMMEND BOARD MEMBERS ***Action Item***	Chair
IV.	APPOINTMENTS ○ BHCD Committees ○ Virginia Fire Services Board Representative ○ Virginia Housing Representative	Chair
V.	PRIVATE ACTIVITY BOND GUIDELINES UPDATE FOR 2027 PROGRAM YEAR ***Action Item***	DHCD Staff
VI.	URBAN PUBLIC-PRIVATE PARTNERSHIP REDEVELOPMENT FUND GUIDELINES (SB285) ***Action Item***	DHCD Staff
VII.	ENTERPRISE ZONE GRANT PROGRAM MANUALS UPDATE FOR GY2026 ***Action Item*** ○ Job Creation Grant Instruction Manual ○ Real Property Investment Grant Instruction Manual ○ CPA Agreed Upon Procedures Manual	DHCD Staff

VIII.	PROGRAM HIGHLIGHT o Energy Efficiency and Weatherization	DHCD Staff
IX.	LEGISLATIVE AND REGULATORY UPDATE o 2024 Code Development Cycle Update o Workgroups/Studies Update	DHCD Staff
X.	REPORTS AND INFORMATION	
	a. Virginia Housing Report	Tammy Neale
	b. Report of the Virginia Fire Services Board	J.M. Snell
	c. Report of the Director	Dr. Tamarah Holmes
XI.	UNFINISHED BUSINESS	Board Members
XII.	NEW BUSINESS	Board Members
XIII.	BOARD MATTERS	Board Members
XIV.	FUTURE BOARD MEETING DATES o December 7, 2026	DHCD Staff
XV.	ADJOURNMENT	Chair

Minutes of the
BOARD OF HOUSING AND COMMUNITY DEVELOPMENT
July 13, 2026
11:08 AM
Virginia Housing Center
4224 Cox Road
Glen Allen, Virginia

DRAFT

Members Present	Members Absent
Louie Berbert	Tammy Neale
Sylvia Bryant	Scott Stosser
Cindy Davis	
Bill Garrett, Vice Chair	
Lynne Goldberg	
Jenna Goodman	
Charlie Jones	
Roger Jones, Chair	
Gerry Maiatico	
Hank Osleger	
J.M. Snell	

Department of Housing and Community Development (DHCD) staff present for all or part of the meeting:
Justin Bell, Assistant Attorney General
Jeff Brown, Deputy Director of Building and Fire Regulation
Joseph Dennie, Policy Analyst
Tamarah Holmes Ph.D., Director
Alan Jones, Sr. Public Finance Analyst (virtual)
Aarthika Krishnan (virtual)
Trisha Lindsey, Policy and Legislative Services Director
Peter Mahoney, Sr. Advisor
Andrew Malloy, Sr. Policy Analyst
Florin Moldovan, State Building Code Office Director
Cassidy Rasnick, Chief Operating Officer (virtual)
Chase Sawyer, Policy and Legislative Services Manager (virtual)
Cristopher Scott, Code and Regulation Specialist (virtual)

Call to Order	Mr. R. Jones, Vice Chair of the Board of Housing and Community Development, called the meeting of the Board to order at 11:08 a.m.
Roll Call	The roll was called by Mr. Malloy. Mr. Malloy reported that a quorum was present.

Remote Participation	Mr. Malloy reported that Mr. Berbert (personal matters) had been pre-approved by the Chair to participate in the meeting remotely. A motion was made by Ms. Goldberg and seconded by Mr. Garrett to approve the remote participation of Mr. Berbert. The motion passed on a unanimous voice vote (YEAS: Bryant, Davis, Garrett, Goldberg, Goodman, C. Jones, R. Jones, Maiatico, Osleger, Snell; NAYS: None). Mr. Berbert stated that he was participating from Virginia Beach, Virginia.
Annual Election of Officers	Mr. R. Jones turned the meeting over to Mr. Malloy. Mr. Malloy opened the floor for nominations for Chair of the Board. Ms. Davis nominated Mr. R. Jones. Mr. Osleger seconded this nomination. No other Board members were nominated. Mr. R. Jones was elected Chair of the Board by acclamation. Mr. R. Jones, Chair of the Board, asked Mr. Malloy to facilitate the election of Vice Chair of the Board. Mr. Malloy opened the floor for nominations for Vice Chair. Mr. Snell nominated Mr. Garrett. Mr. Osleger seconded this nomination. No other Board members were nominated. Mr. Garrett was elected Vice Chair of the Board by acclamation.
Public Comment	Mr. R. Jones opened the floor for public comment. After seeing no speakers, Mr. R. Jones closed public comment.
Approval of Minutes	A motion was made by Ms. Davis and seconded by Ms. Goodman to approve the minutes of the May 11, 2026, meeting of the Board. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, C. Jones, R. Jones, Maiatico, Osleger, Snell; NAYS: None).
Electronic Meeting Policy	Mr. Malloy presented the Board's remote participation policy and all-virtual meeting policy. Mr. Malloy reminded the Board that these policies must be approved by the Board annually. Mr. Malloy informed the Board that no changes have been made to either policy. A motion was made by Ms. Davis and seconded by Ms. Goodman to approve the Board's remote participation policy as presented. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, C. Jones, R. Jones, Maiatico, Osleger, Snell; NAYS: None).

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A motion was made by Ms. Goodman and seconded by Mr. Garrett to approve the all-virtual meeting policy as presented. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, C. Jones, R. Jones, Maiatico, Osleger, Snell; NAYS: None).

Report of the Codes and Standards Committee

Mr. R. Jones, Chair of the Codes and Standards Committee, reported that the Committee recommended disapproving Uniform Statewide Building Code (USBC) proposal no. 135 (REC-R402.1.2-24). The recommendation came as a standing motion to the Board. Board members discussed the standing motion. A motion was made by Ms. Goodman to form a sub-workgroup to discuss the insulation requirements and related energy efficiency code proposals. Mr. Snell seconded the motion for purposes of discussion. The Board discussed a possible sub-workgroup to address issues related to energy efficiently code proposals. Ms. Goodman withdrew her motion. The standing motion before the Board passed on a roll call vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, C. Jones, R. Jones, Osleger, Snell; NAYS: Goodman; ABSTAIN: Maiatico). *Mr. Stosser, observing the meeting virtually, intended to vote yea.*

Urban Public-Private Partnership Redevelopment Fund Guidelines (SB285)

Mr. Malloy updated the Board on legislation passed by the General Assembly (SB285, 2026) that directs the Board in consultation with stakeholders to create guidelines for the Urban Public Private Partnership Redevelopment (UPPPR) Fund. Mr. Malloy noted the UPPPR Fund was codified in 2000 (§ 15.2-2414 et seq.) but has never received appropriations from the General Assembly. Mr. Malloy shared the purpose of the UPPPR Fund is to provide localities a tool to support the redevelopment of underutilized buildings and sites for more productive purposes such as housing. Mr. Malloy noted the legislation requires the Board to submit a report and program guidelines to the General Assembly by November 1, 2026. Mr. Malloy shared that staff recommends that the Board direct staff to consult with the relevant stakeholders and create draft guidelines for the Board's consideration.

A motion was made by Ms. Davis and seconded by Mr. Bryant to adopt the staff recommendation (that the Board direct staff to consult with the relevant stakeholders and create draft guidelines for the Board's consideration). The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, C. Jones, R. Jones, Maiatico, Osleger, Snell; NAYS: None).

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Agritourism Items

Mr. Malloy shared a brief background on agritourism issues that have come before the Board in recent years. Mr. Malloy stated that in 2022, legislation (SB400, 2022) directed the Board to convene the Agritourism Event Structure Technical Advisory Committee (AGTAC). Mr. Malloy noted that this committee reviewed farm buildings and structures that are exempt from the USBC, but where the public is invited to enter for agritourism activities. Mr. Malloy added that these farm buildings used for agritourism purposes are subject to unique safety requirements in the Code of Virginia (SB1305, 2023), and the AGTAC wrote a report to the General Assembly with recommendations on the best practices for complying with those requirements. Mr. Malloy provided updates on two agritourism-related items that require the Board's attention. First, legislation passed by the General Assembly (HB735/SB132, 2026) directs the Board to review and consider amending the Statewide Fire Prevention Code (SFPC) to allow temporary tents used for agritourism purposes to remain in place for up to 12 months on a single site. Mr. Malloy noted that under the current SFPC, temporary tents cannot be erected for more than 180 days within a 12-month period on a single premise. Second, Mr. Malloy shared an April 12, 2026 letter from the Statewide Building Code Technical Review Board (SBCTRB) to the Board. Mr. Malloy explained that SBCTRB hears appeals from enforcement actions of the building code, provides interpretations, and may make recommendations to the Board. The letter recommends that the Board consider amending the USBC to include "agritourism activity" in the list of defined uses of farm building or structures. Mr. Malloy shared that staff recommends that the Board authorize the Chair to appoint stakeholders to a workgroup to review these two items and direct staff to report on the considerations and any recommendations from the workgroup.

A motion was made by Ms. Davis and seconded by Mr. Snell that the staff recommendation be adopted (that the Board authorize the Chair to appoint stakeholders to a workgroup to review the agritourism items and direct staff to report on the consideration and recommendation from the workgroup). Board members discussed issues related to farm buildings used for agritourism purposes, the requirements for these buildings, the Board's authority in this matter, and issues related to enforcement. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, C. Jones, R. Jones, Maiatico, Osleger, Snell; NAYS: None).

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Private Activity Bond Update	Mr. Peter Mahoney, DHCD Senior Advisor, shared updates on the 2026 Private Activity Bond (PAB) allocations. Mr. Mahoney reminded the Board that DHCD is responsible for the portion of Virginia's PABs set aside for local housing authorities and state allocation. Mr. Mahoney noted that the Board approved the new scoring criteria guidelines for PAB allocation in 2024 and made additional updates to the guidelines based on federal changes in September 2025, affecting the 2026 program year. Mr. Mahoney shared that legislation passed by the General Assembly (SB729, 2026) has increased the share of PABs allocated to housing. Mr. Mahoney shared that staff is working on updating the PAB guidelines based on the state code changes and the agency is working on other updates to simplify the scoring criteria and streamline the process. Mr. Mahoney shared that staff will present draft guidelines for the 2027 program year for the Board's consideration at the next meeting.
Legislative and Regulatory Update	Mr. Malloy shared a brief update on the code development cycle. Mr. Malloy said staff is drafting proposed regulations based on the Board's recommendations made at the May 11, 2026 meeting. Mr. Malloy said staff is on track to have the proposed regulations ready for consideration at the December 2026 Board meeting. Mr. Malloy noted HB395 (2026) related to portable solar devices was signed by the Governor. Mr. Malloy said staff will share any updates from the legislation's workgroup with the Board.
Virginia Housing Report	Ms. Monique Johnson reported no updates from Virginia Housing.
Fire Services Board Report	Mr. Maiatico thanked Mr. Snell for his service on the Fire Services Board (FSB). Mr. Maiatico shared that after Mr. Keith Johnson's retirement, Ms. Abby Johnston has been named chair of the FSB. Mr. Maiatico also shared that the FSB has adopted policies for its new online grants management reporting system.
Report of the Director	Dr. Holmes welcomed Mr. Maiatico to the Board. Dr. Holmes shared updates on noteworthy budget items including increased funding for the Virginia Housing Trust Fund, funding for a mixed-income housing pilot program, funding for expanded homelessness services, assistance for eviction prevention, and funding for energy efficiency and weatherization programs. Dr. Homles shared that the agency continues to work on the Housing Needs Assessment and other data collection efforts.

DRAFT

Unfinished Business	There was no unfinished business to be discussed.
New Business	There was no new business to be discussed.
Board Matters	There were no new Board matters.
Future Meetings	Mr. Malloy shared that the next meeting of the Board is scheduled for October 19, 2026
Adjournment	A motion was made by Ms. Davis and seconded by Mr. Osleger to adjourn the meeting. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, C. Jones, R. Jones, Maiatico, Osleger, Snell; NAYS: None). The meeting was adjourned at 12:40 p.m.

DRAFT

Abigail Spanberger
Governor

Carrie Chenery
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

Tamarah Holmes, PhD
Director

Memorandum

To: Board of Housing and Community Development

From: DHCD Staff

Subject: Private Activity Bond Guidelines Update

Date: October 9, 2026

Federal law allows the Commonwealth to issue a limited amount of tax-exempt private activity bonds (PAB) to finance projects that provide a public benefit. The Code of Virginia (§15.2-5000 et seq.) charges the Board with developing guidelines for allocation of the state's private activity bond allocation to local housing authorities (LHA) and the Governor's Pool (State Allocation). Based on the Board approved guidelines, DHCD processes requests for volume cap allocation from the LHA allocation and the Governor's Pool (as approved by the Governor).

Enclosed for the Board's review and approval are the proposed guidelines for program year 2027 and a section-by-section description of the proposed revisions.

Enclosure

Update on Private Activity Bonds

Peter E. Mahoney
Senior Advisor
October 19, 2026

VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities

Executive Summary

- DHCD plays a key role in administering the allocation and issuance of tax-exempt "private activity bonds" supporting Virginia's housing and industrial development sectors.
- DHCD directly administers the "Local Housing Authority" pool to finance affordable multifamily rental housing funded by tax-exempt bonds issued by local housing and redevelopment authorities. In addition, DHCD reviews and recommends to the Governor applications for bond issuance authority for these localities using the "Governor's Discretionary Pool."
- Year-to-date, DHCD has facilitated the creation, rehabilitation or preservation of 3,329 units of long-term affordable housing through this allocation of tax-exempt issuance authority from the LHA Pool and the Governor's Discretionary Pool.
- The Board approves the published guidelines through which DHCD reviews and decisions applications for LHA Pool allocation.
- DHCD issued revised guidelines together with explanatory materials for public comment on September 17, 2026, with the comment period closing October 6, 2026. These guidelines were developed with collaborative input from Virginia Housing.
- DHCD seeks the Board's approval of these guidelines for use in Calendar Year 2027.

Key Aspects of 2027 Guideline Revisions

- **Application "Windows" Aligned with Virginia Housing's Timelines for 4% LIHTC Process.** Because virtually all localities/developers seeking tax-exempt bond allocation will use the financing in combination with Low-Income Housing Tax Credits (LIHTCs) approved by Virginia Housing, DHCD is proposing to more closely align its application timelines to Virginia Housing's.
- **"Conditional Eligibility" Decisions.** DHCD will "score" applications on a timeline contemporaneous with Virginia Housing's processing of 4% LIHTC applications (rather than sequentially as in prior years). Applications that achieve minimum criteria and adequate scores will receive a "Conditional Eligibility" Letter, pending receipt of the final Virginia Housing LIHTC approval.
- **Expedited Final Award Allocation.** This new contemporaneous process will enable DHCD and the Governor to approve issuance of tax-exempt allocation promptly on receipt of final Virginia Housing LIHTC approval, which should materially shorten the overall approval process timeline, helping localities and developers create more affordable housing sooner.
- **Streamlined Application Criteria:** The application process eliminates some scoring categories deemed obsolete, and streamlines and standardizes documentation requirements. DHCD is publishing an appendix with stipulated application materials and page limits to make the application requirements clearer and simpler while enabling localities/developers to "tell their story".

DHCD Requested Board Action

DHCD respectfully requests the Board of Housing and Community Development to approve the attached guidelines in accordance with Virginia Code § 15.2-5003.

THANK YOU

VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Partners for Better Communities

Contact Us

600 East Main Street, Suite 300

Richmond, VA 23219

804-371-7000

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APPENDIX: Background on Tax Exempt Housing Bonds

The federal tax code permits states to authorize issuance of tax-exempt bonds to finance certain permitted "private activities" (Private Activity Bonds, or "PABs"), including financing the construction, rehabilitation or preservation of affordable multifamily rental housing.

The Code of Virginia sets aside specified amounts of the Commonwealth's annual limited PAB issuing authority (for 2026, ~$1.45 Billion) into four allocation pools, and further requires DHCD to:

- Calculate and publish on an annual basis the Commonwealth's PAB "volume cap" in accordance with Internal Revenue Code guidelines
- Through Board approval, to periodically publish guidelines for the allocation of PAB allocation to Local Housing Authorities (the "LHA Pool"), currently 14% of Virginia's annual cap, and to review and approve qualifying applications for allocation
- To implement administrative procedures to vet applications for allocation and to recommend qualifying applications to the Governor for approval using her discretionary authority (the "Governor's Pool"), currently 18% of Virginia's annual cap
- To cooperate with each of Virginia Housing and the Virginia Small Business Financing Authority (the "IDA Pool") in administering its portion of annual volume cap, currently 43% and 25% of Virginia's annual cap, respectively
- To facilitate transferring unallocated volume cap from the LHA Pool, the Governor's Pool and the IDA Pool to Virginia Housing for its use as "carryforward" volume cap for future bond issuance

Public Comment Draft
September 17, 2026

Virginia Private Activity Bond Allocation Guidelines

Local Housing Authority (LHA) Allocation

Section-by-Section Description of Proposed Revisions

I DEFINITIONS

1.1. Definitions

New and revised definitions have been added to enable clearer linkage between the Low-Income Housing Tax Credit process and the application for LHA and Governor's Discretionary Pool Applications (discussed below).

- New definitions include "42(m) Letter", "Reservation Letter" and "25% Test," which tie directly to Virginia Housing's application and approval process for 4 Percent LIHTCs.
- In addition, the definition of "Eligibility" has been revised to make clear that, generally, DHCD expects applicants to use 4 Percent LIHTCs in conjunction with tax exempt financing, with applicants seeking another financing arrangement required to meet with DHCD before submitting an application.

II PROGRAM OVERVIEW

2.1. Introduction

No Significant Changes.

2.2. Availability of Bonds

DHCD is seeking to align its process for LHA Pool and Governor's Discretionary Pool allocations to facilitate faster, more streamlined processing, mindful that the application to DHCD is often sequenced behind other important steps in arranging project financing supported by 4 Percent LIHTCs and locally issued tax-exempt bonds. As such, DHCD intends to provide a relatively longer "Round 1" application time period in the first quarter of the calendar year, with potential to extend into the second quarter, deliberately seeking to align with Virginia Housing's timing and process for determining project eligibility for 4 Percent LIHTCs and the resulting 42(m) Letter. Further discussion of these timeline and application changes is set forth below, under 3.2., Threshold Requirements.

2.3. Additional Allocation Conditions (*formerly, "*Allocation Size Limits")

The size limitations have been eliminated for Round 1 applications in favor of scoring criteria for infrequent issuers and efficiency of resources used.

In addition, applicants are now permitted to amend a pending application to provide updated documentation needed to secure an allocation (discussed below). The intention is to permit applicants to

submit "near-qualifying" applications that can be scored and made ready during the pendency of a 4 Percent LIHTC application with Virginia Housing.

2.4. Carryforward Allocation.

No Significant Changes.

III ELIGIBILITY

3.1. Eligible Use of Funds

This section has been revised to make clear DHCD's expectation that, generally, project applications will be using 4 Percent LIHTCs as part of the financing and that, for applications attaining financing and affordability requirements through other means, a pre-application meeting with DHCD is required.

3.2. Threshold Requirements (Minimum Criteria)

While generally maintaining the six core prerequisites for submitting an application, this Section 3.2. provides clearer information regarding expectations for qualifying documentation. It should be read together with a new Appendix A describing documentation and organizational requirements for applications.

In addition, the Threshold Requirements have been amended to eliminate the requirement to certify alignment with the Consolidated Plan submitted to HUD by localities or the Commonwealth, depending on the locality.

DHCD also is revising the process for submission of applications in a manner designed to better align timing and process with the contemporaneous process for qualifying for 4 Percent LIHTCs through Virginia Housing.

- The revision to Section 3.2.5. now permits an applicant to submit an application containing all materials demonstrating Threshold Requirements, provided that the applicant will be permitted to exclude from the initial application the "42(m) Letter" required to demonstrate eligibility for 4 Percent LIHTCs, so long as the applicant affirms it has submitted an application to Virginia Housing which has been acknowledged.
- The revision then permits an applicant to provide up to two additional submissions under Section 3.3.5.:
    - A "Reservation Letter" from Virginia Housing evidencing completion of the eligibility review of the project; and
    - The final "42(m) Letter" providing Virginia Housing formal approval for the 4 Percent LIHTCs.

DHCD's objective is to permit applicants to have both a 4 Percent Virginia Housing application and an LHA Pool or Governor's Discretionary Pool application proceeding on a simultaneous, rather than sequential, path – thus allowing a faster overall timeline for obtaining tax-exempt project financing allocation.

It should be noted that DHCD's *receipt of an application and receipt of a Reservation Letter supplement <u>does not</u> assure that an LHA or Governor's Discretionary Pool allocation ultimately will be made.*

3.3. NEW: Conditional Eligibility Letter

This new section provides an interim process step for applications that meet all Threshold Requirements (Minimum Criteria) other than having the final 42(m) Letter. It provides DHCD with the discretion to issue a "Conditional Eligibility Letter" advising applicants that its application is complete and qualifying but for the final 42(m) Letter. While it does not in any way assure that DHCD will finally allocate bond issuance authority, it does provide applicants with information that submission of the final 42(m) Letter would be the only step needed to have a complete and qualifying application.

DHCD intends this interim process step to allow it to complete its review of the application and more promptly issue Allocation Award Certificates following receipt of the final 42(m) Letter.

It should be noted that DHCD's decision to issue a Conditional Eligibility letter *does not assure that an LHA or Governor's Discretionary Pool allocation ultimately will be made.*

3.4. Effective Period of Allocation

No Significant Changes

3.5. State Guidelines to Change as Federal Law Determines Eligibility

No Significant Changes

IV ADDITIONAL CRITERIA

4.1. Reporting Requirements for Allocations

No Significant Changes

V APPLICATION REVIEW AND EVALUATION

5.1. Dates and Submission Timeline

Changes made to reflect new approach to Round 1 application cycle and follow-on timeline for applications and decisions

5.2. Scoring Criteria

DHCD is proposing significant changes to Scoring Criteria to streamline the application process and documentation requirements, to provide clearer instructions for qualifying documentation and to encourage a broader distribution of participating local housing issuers and project sponsors. Key changes include the following:

- Clear Description of Project Need
    - Eliminating the "Job Creation" and "Renter Cost Burden" criteria and scoring, based on concerns regarding rigor and timeliness of data
    - Adding a new narrative submission regarding project need, with focus on whether the project meets a Locality's previously identified housing need
    - Adding a new scoring category providing positive points for an application from a Local Housing Authority that has not received an allocation of LHA Pool or Governor's

Discretionary Pool authority within recent years for a project in its geographic jurisdiction

- Demonstration of Readiness
  - Tightening certain documentation requirements
  - Adding credit for developers with demonstrated experience completing LIHTC projects both within and outside of the Commonwealth of Virginia
- Efficiency for Project Allocation Request
  - Adding an optional narrative explaining the cost-per-unit of the project and any context or conditions
  - Tightening the documentation requirements for leveraging of other Federal, state or local financial resources and adding an optional narrative
  - Significantly revising the "Bond Request Size" category:
    - Creating higher "Aggregate Basis" limits (up to 45 percent), with higher scores for lower Aggregate Basis
    - Requiring applicants to provide a detailed "Sources and Uses" table for both construction and permanent financing phases
    - Providing favorable scores for projects to the extent tax-exempt bond proceeds are used beyond the construction period for permanent financing over the life of the affordability restrictions
    - Requiring an explanation of projects using tax-exempt bonds above the 25% minimum "aggregate basis" for construction-only financing.

5.3. Other Scoring Criteria

Deleted

5.4. DHCD Discretion Regarding Allocation Decisions and Recommendations (formerly, Tiebreaker Criteria)

Confirming DHCD's discretion to determine whether to grant or recommend allocation of PAB Authority.

5.5. Scoring Rubric

See discussion above, under 5.2.

5.6. Project Approval

No Significant Changes

VI EFFECTIVE PERIOD OF GUIDELINES

Date changes to reflect 2027 effective date.

VII APPENDIX

Deletion of former Appendices A and B. Addition of new Appendix A: Documentation Requirements

Public Draft
September 17, 2026

Virginia Private Activity Bond Allocation Guidelines

Local Housing Authority (LHA) Allocation

& Governor's Discretionary Pool

Adopted: October XX, 2026
Effective Date: January 1, 2027

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VI EFFECTIVE DATE OF GUIDELINES

APPENDIX A: LHA/Governor's Discretionary Pool Application Documentation Requirements

1. DEFINITIONS

1.1. Definitions

A. Section 15.2-5000 of the Code of Virginia provides definitions of the following terms and phrases as used in these Guidelines:

- "Exempt project"
- "Industrial development bond"
- "Local housing authority"
- "Manufacturing facility"
- "Multifamily housing bond"
- "Private activity bond"
- "Single family housing bond"
- "State ceiling"

B. The following words and terms, when used in these guidelines, shall have the following meaning, unless the context clearly indicates otherwise.

"42(m) Letter" means formal written certification from Virginia Housing that the project's financing package will include low-income housing tax credits under IRC §42.

"Allocation" or "award" means the written notice issued by DHCD to a Local Housing Authority applicant to provide a project with a specified amount from the state ceiling for a specific issue of bonds to be issued within the time period stated within the notice, after which time has lapsed the Allocation is deemed revoked. *See also* the definition of "Expiration Date."

"Applicant" means an entity that properly submits an application for private activity bond authority in accordance with these Guidelines.

"Carryforward purpose" means certain projects that are eligible to receive an allocation during a calendar year and issue the bonds from the allocation in a later year pursuant to § 146 of the Internal Revenue Code of 1986, as amended.

"Commonwealth" is the Commonwealth of Virginia.

"Conditional Eligibility Letter" means a provisional notice from DHCD stating that an application appears eligible based on submitted materials and a Reservation Letter, but final eligibility depends on DHCD receiving the required 42(m) Letter.

"DHCD" means Department of Housing and Community Development.

"Eligibility" means, with respect to any applicant seeking an allocation of private activity bonds from the Local Housing Authority Pool for a designated project, that the rents for the units subject to restrictions on the incomes of residents under the Code will meet required rent affordability standards and are subject to a legally binding contract committing the designated project and its developer to meeting such standards. Rent affordability standards will be presumptively met by allocation to the designated project of low-income housing tax credits under Section 42 of the Code as evidenced by a certifying letter from Virginia Housing, or, on an exception basis within the sole discretion of DHCD, by the designated

project's participation in other federal, state, or local housing affordability programs that include legally enforceable rent affordability standards.

"Expiration date" means the earlier of December 15th of the year in which the applicable PAB Authority is allocated or 120 days from the date the applicable PAB Authority is allocated. In the case of PAB Authority allocated by DHCD from the LHA Pool, and PAB Authority allocated by the Governor of Virginia from the Governor's Discretionary Pool, DHCD and the Governor, respectively, may in their sole discretion extend this period to the earlier of December 15th of the year in which the applicable PAB Authority is allocated or up to 180 days from the date the applicable PAB Authority is allocated.

"Governor" is the Governor of Virginia, or someone acting for him or her with valid authority to do so.

"Governor's Discretionary Pool" means the portion of the Commonwealth's annual allocation of Volume Cap set aside for allocation to projects of state or local issuing authorities as determined from time to time at the sole discretion of the Governor, referred to as the "State Allocation" in § 15.2-5002 of the Code of Virginia.

"Housing bonds" means multifamily housing bonds and single-family housing bonds requiring allocation from the state ceiling.

"IRC" means the Internal Revenue Code of 1986, as amended.

"Issued" means that the private activity bonds have been issued in accordance with IRC §§103 and 141-150.

"Local Housing Authority" means any political subdivision, governmental unit, authority, or other entity of the Commonwealth which is empowered to issue private activity bonds, excluding Virginia Housing.

"Local Housing Authority Pool" or "LHA Pool" means the PAB Authority set aside for allocation to Local Housing Authorities pursuant to § 15.2-5002 of the Code of Virginia.

"Locality" means a city, town, or county of the Commonwealth.

"Low-Income Housing Tax Credits," in these Guidelines, invariably refers to the 30% present value federal low-income housing tax credit described in § 42 of the IRC, commonly called the 4% low-income housing tax credit.

"PAB Authority" means Private Activity Bond Authority.

"Private Activity Bond Authority" is a portion of Virginia's allocation from the federal government of Volume Cap, as defined in § 146 of the IRC, which is one of the critical things an issuer must possess to legally issue tax-exempt private activity bonds. The dollar denominated portion so named in a Private Activity Bond Authority is the maximum face amount of tax-exempt private activity bonds that can be issued using said Private Activity Bond Authority. Thus, if DHCD or the Governor allocate $1,000,000 of Private Activity Bond Authority to an issuer, and if that issuer satisfies all other relevant requirements imposed by the IRC, and these Guidelines, they can issue up to $1,000,000 face amount of tax-exempt private activity bonds.

"Project" means the facility (as described in the application) proposed to be financed, in whole or in part, by an issue of bonds and that meets all of the requirements for eligibility set forth in these Guidelines.

"Rent affordability standards" means that the rent and any estimated cost of utilities (except telephone) payable by residents shall not exceed 30 percent of the applicable income limits under the Code during the period of time that the bonds issued to finance the designated project will be outstanding.

"Reservation Letter" means a letter issued by Virginia Housing with respect to a designated project subject to an LHA Pool or Governor's Discretionary Pool application, stating that Virginia Housing has completed its preliminary eligibility review for the application for tax credits that are associated with tax-exempt bond financing and that, based on the review, the application currently meets eligibility criteria, subject to completion of certain design and construction requirement reviews,

"Supplemental allocation" means an allocation of PABs that is supplemental to a previous year's allocation (regardless of issuer). A supplemental allocation is for a designated project that has previously closed and as to which the applicant is seeking additional allocation for the same project. A supplemental allocation is not an allocation for a separate phase of a larger development.

"Twenty-Five Percent Test" or "25% Test" means the test established under Internal Revenue Code Section 42(h)(4)(B), which requires that, to be eligible for Low Income Housing Tax Credits at 4 percent, a project sponsor must demonstrate that at least 25 percent of the project's "aggregate basis" (as defined in the Internal Revenue Code) is financed using proceeds of tax-exempt bonds.

"Virginia Housing" means Virginia Housing Development Authority.

"Volume Cap" is defined in § 146 of the IRC.

2. PROGRAM OVERVIEW

2.1. Introduction

Every year, the Commonwealth is allowed to issue a limited face amount of federally tax-exempt bonds on behalf of private companies and non-profit organizations to finance projects that provide a public benefit recognized as a qualified private activity under the IRC. Such tax-exempt bonds are referred to as private activity bonds, and the face amount of such private activity bonds the Commonwealth is allowed to issue is called volume cap (see § 146 of the IRC).

Chapter 50 (§§ 15.2-5000 through 15.2-5005) of Title 15.2 of the Code of Virginia sets aside specified amounts of the Commonwealth's volume cap into four allocation pools. This Chapter requires the Department of Housing and Community Development (DHCD), through the Board of Housing and Community Development (BHCD), to "establish guidelines in accordance with this chapter that shall detail (i) the specific administrative policies, criteria, and procedures for the allocation to local housing authorities" in addition to other responsibilities.

Local Housing Authority (LHA) Pool

DHCD will receive applications from Local Housing Authorities and allocate PAB Authority from the Local Housing Authority Pool through the criteria and procedures set forth in these guidelines. The PAB Authority in the LHA Pool is set-aside for the purposes of issuing single family housing bonds and multifamily housing bonds. The primary use of this PAB Authority is for constructing, rehabilitating, and preserving long-term affordable rental or housing units. Local Housing Authorities are eligible to apply for PAB Authority through the LHA pool.

Governor's Discretionary Pool

The Governor's Discretionary Pool allows the Governor the flexibility to allocate PAB Authority for local or statewide projects in the Commonwealth. Such projects can include multifamily housing projects or economic development initiatives. The primary use of this PAB Authority is to provide flexible gap-financing or supplemental awards for priority community development and housing projects. DHCD will receive applications from Local Housing Authorities among others and review and recommend to the Governor whether to allocate PAB Authority from the Governor's Discretionary Pool.

Administration

In administering these guidelines, DHCD has responsibilities that include:

A. Determining the Commonwealth's total PAB Authority each year based on the federal government's formula for Volume Cap, which is currently calculated on a per capita basis based on the Commonwealth's population.
B. Setting aside the proper amount of the Commonwealth's total PAB Authority for each project type as specified in § 15.2-5002 of the Code of Virginia.
C. Receiving and reviewing project applications for PAB Authority to be awarded from the Local Housing Authority Pool, and, upon approval, allocating PAB Authority to projects subject to the time limits and other conditions described in these Guidelines.
D. Receiving and reviewing project applications for PAB Authority to be awarded from the Governor's Discretionary Pool and forwarding recommended applications to the Governor for consideration, and, upon approval, evidencing and administering such PAB Authority for such projects subject to the time limits and other conditions described in these Guidelines.

2.2 Availability of PAB Authority

Of the Commonwealth's total annual PAB Authority, §15.2-5002 of the Code of Virginia reserves 17% for the Local Housing Authority Pool and 18% for the Governor's Discretionary Pool. While Local Housing Authorities applying to DHCD are the legal entities issuing the private activity bonds, DHCD is required to review and allocate these pools of PAB Authority for qualified projects.

Yearly availability of PAB Authority will be posted on the DHCD website. Applications will be received on a date announced by DHCD on its website prior to the conclusion of the preceding year, which date is expected to be early in the first quarter of the calendar year ("Allocation Round 1"). The "open" period for applications will be closed on a date to be announced on its website, which date is expected to be late in the first quarter or early in the second quarter of the calendar year. To the extent any PAB Authority remains available following DHCD's processing of applications received during this period, DHCD will announce a further open period for applications, which date is expected to be late in the second quarter or early in the third quarter of the calendar year ("Allocation Round 2"). To the extent any PAB Authority remains available following DHCD's processing of applications received during these two preceding rounds, an optional, third round may be announced. DHCD will periodically update its website to provide information on approved allocations and remaining PAB Authority in the LHA Pool and the Governor's Discretionary Pool.

2.3. Additional Allocation Conditions

Projects are limited to one allocation per project per calendar year, with an opportunity to apply for a supplemental allocation under circumstances described below in Section 2.4. Any applicant may reapply if it does not receive an allocation in a prior allocation round.

Applicants that were not awarded an allocation may request to be considered in subsequent application rounds, provided that i) all necessary application materials are current and that ii) the applicant may submit a one-time supplement to the original application, providing updated documentation meeting minimum criteria or supporting a higher application score, as discussed below. In addition, applicants should take note of the opportunity to submit a "conditional application," with an opportunity to amend or supplement the application for the specific purpose of furnishing evidence of eligibility for Low-Income Housing Tax Credits, as more completely described below in Section 2.4.

An applicant for a designated project experiencing substantive changes, for example, including new financing terms or sources of funding, or a substantially different timeline, must complete a new application. Because PAB Allocation is calculated and awarded on a calendar-year basis, applications may not be carried over from one calendar year to the next.

2.4. Carryforward Allocation

On or about December 15 of each calendar year, DHCD will notify Virginia Housing of (a) the amount of PAB Authority remaining in the LHA Pool and the Governor's Discretionary Pool, and (b) the PAB Authority allocations, if any, for which DHCD, or DHCD acting on behalf of the Governor, will allow the recipient to file an IRS Form 8328 for a Carryforward Purpose. After this notification, Virginia Housing must provide a written request to DHCD, pursuant to § 15.2-5004 of the Code of Virginia, to have such PAB Authority allocated and transferred to Virginia Housing.

On or about December 21 of each calendar year, DHCD will notify Virginia Housing of any PAB Authority allocations that terminated because the DHCD did not receive a copy of the filed 8328 by the deadline described in Section 4.1, below. After this notification, Virginia Housing must provide a written request to DHCD, pursuant to § 15.2-5004 of the Code of Virginia, to have such PAB Authority allocated and transferred to Virginia Housing.

3. ELIGIBILITY

3.1. Eligible Use of PAB Authority

Any Local Housing Authority in the Commonwealth may submit an application to DHCD seeking allocation from the LHA Pool on behalf of a designated project. A Local Housing Authority awarded PAB Allocation must use it to issue private activity bonds to finance the construction, rehabilitation or preservation of affordable multi-family rental housing with respect to the project identified in the Local Housing Authority's application. To be eligible, the designated project must be subject to a legally enforceable agreement restricting the rent for the units in the project to rent affordability standards meeting the requirements of the applicable sections of the IRC, including § 42.

Using the right amount of PAB Authority to issue private activity bonds qualifies developments for low-income housing tax credits, which is a valuable affordable housing subsidy from the federal government. An issuer/developer can use low-income housing tax credits (LIHTC) at a 4 percent rate in a non-competitive application process to finance an affordable multifamily project if at least 25 percent of the

aggregate basis of the project is financed with tax-exempt bonds. For this reason, there is a strong nexus between the use of 4 percent LIHTC credits and the allocation of tax-exempt PAB Authority from the LHA Pool or the Governor's Discretionary Pool. It is DHCD's expectation that the preponderance of applications for the LHA Pool or the Governor's Discretionary Pool will have been preceded by a successful application to Virginia Housing in which a project is preliminarily determined to be eligible for low-income housing tax credits as part of the project financing, and which will be followed in due course by the applicants submitting a letter evidencing Virginia Housing's approval (informally referred to as a "42(m) Letter"). Rent affordability standards will be presumptively met by furnishing evidence of Virginia Housing's approval of the designated project for low-income housing tax credits in accordance with § 42 of the IRC.

On an exception basis, DHCD may choose to process applications for the LHA Pool or Governor's Discretionary Pool where an application includes evidence of participation in other federal, state, or local housing affordability programs that include legally enforceable rent affordability standards. ***In such a case, applicants are required to contact DHCD to schedule a pre-application conference with DHCD staff prior to any application filing***.

3.4. Effective Period of Allocations

An Allocation of PAB Authority from DHCD from the LHA Pool must be used by the Applicant prior to the Expiration Date. As soon as practicable prior to the Expiration Date, Applicants requesting an extension of the Expiration Date, as described in the definition of "Expiration Date" in Section 1.1, shall notify DHCD of the need for such an extension and provide compelling reasons why DHCD should give the extension.

An Allocation of PAB Authority from the Governor from the Governor's Discretionary Pool must be used by the Applicant prior to the Expiration Date. As soon as practicable prior to the Expiration Date, Applicants requesting an extension of the Expiration Date, as described in the definition of "Expiration Date" in Section 1.1, shall notify DHCD, acting on behalf of the Governor, of the need for such an extension and provide compelling reasons why the Governor should give the extension.

Use of PAB Allocation is documented by filing an IRS Form 8038 as described in Section 4.1, below.

Allocations of PAB Authority not used before the Expiration Date automatically and immediately terminate and DHCD or the Governor, as applicable, has the power to allocate that portion of PAB Authority as if no allocation had ever been made to the Applicant.

3.5. State Guidelines to Change as Federal Law Determines Eligibility

If federal law changes in any way the amount of the Commonwealth's PAB Authority, or the requirements for allocating or using it, these Guidelines shall be deemed to conform to such changes automatically. No authority is granted to anyone by these Guidelines in excess of the authority granted to the Commonwealth by the federal government.

4. ADDITIONAL REQUIREMENT TO RETAIN ALLOCATION

4.1. Reporting Bond Issuance

For all private activity bonds issued using PAB Authority from the LHA Pool or the Governor's Discretionary Pool during any calendar year, a copy of the filed IRS Form 8038 must be received by DHCD no later than 5:00 p.m. on the Expiration Date. ***PAB Authority that has not been documented as having been issued by the filing of IRS Form 8038 with DHCD by this deadline will revert to DHCD for reallocation to other projects.***

For all allocations to carryforward purposes, a copy of the filed IRS Form 8328 must be submitted to DHCD by December 20of the calendar year in which the carryforward award was received. To document the amount of bonds issued, a copy of IRS Form 8038 must be sent to DHCD when the bond(s) are issued.

5. APPLICATION REQUIREMENTS AND SCORING CRITERIA

5.1. Dates and Submission Timeline

Applicants are strongly encouraged to notify DHCD of their intent to make application for allocation as soon as possible after January 1 of each year.

An applicant will provide notification on the appropriate form provided by DHCD. Failure to provide advance notice of intent to apply may have an adverse impact on the application's prospects for receiving an Allocation award.

Program Dates:

The following is a listing of important application and allocation dates and deadlines concerning the portion of the state ceiling administered by DHCD. DHCD will accept applications at the times indicated during the year. Please note that these are approximate dates and may be revised by DHCD as needed.

January 1 – January 15:

Anticipated first round of applications opened by DHCD for Local Housing Authority Pool applications. The application round will remain open during the first quarter of the calendar year, with a potential for extension into the second quarter of the calendar year. DHCD will seek to provide reasonable notice on its website of its determination to close the application period.

Note: Applications for Governor's Discretionary Pool allocation will be accepted on a concurrent, rolling basis.

Second Quarter (Anticipated):

Anticipated second round of applications opened by DHCD. Application period will close following on or about following a thirty-day application window provided by DHCD.

Third Quarter (Anticipated):

Anticipated opening of optional third application round, to the extent PAB Authority remains available, to be scored on a rolling basis.

December 1:

Last day applications will be accepted for year-end carryforward purposes.

December 15:

Last day for the issuance of private activity bonds for projects that received allocations from the state ceiling prior to this date. This is also the deadline for filing IRS Form 8038 and delivering to DHCD a copy of the filed IRS Form 8038 as described in Section 4.1, above.

December 15 – 20:

Allocations will be made to year-end carryforward purposes in accordance with the priority system established by these guidelines.

December 20:

Last day to give DHCD a copy of the filed IRS Form 8328 for any carryforward purposes.

5.2. Threshold Requirements (Minimum Criteria)

Any Local Housing Authority seeking an allocation of PAB Authority from DHCD for a project must submit an application. Application forms are available from DHCD.

A Local Housing Authority seeking an allocation of PAB Authority for housing projects shall submit Form LHA or Form Governor's Discretionary Pool.

All applications and requests for PAB Authority from DHCD shall be accompanied by the following documentation in form and sufficiency satisfactory to DHCD for each designated project (Minimum Criteria). Such documentation shall be submitted in an application file including a table of contents and that explicitly segregates each qualifying documentation in a separate "tab" with a cover page labeling the document and which criterion it satisfies (*e.g.,* "Section 5.2.1."):

1. Inducement or official intent resolution or other documentation of the preliminary approval of the project by the Local Housing Authority, in conformity with applicable federal and state law.

2. Documentation of approval of the project by the appropriate governing body (see Section5.1 of these guidelines) or elected official, in conformity with applicable federal and state law.

3. Written opinion of bond counsel designated by the Local Housing Authority that the project is eligible to utilize the proceeds of private activity bonds pursuant to the IRC and that an allocation of a portion of the Commonwealth's PAB Authority is required.

4. A binding financing commitment from the buyer or underwriter of the bonds for the project subject to industry-standard conditions, including approval of the allocation, or, if the bonds are to be sold competitively, a letter from the financial advisor for the project. In each instance, the financing commitment may include specific conditions preceding execution of the commitment, but must not be a mere indication of interest.

5. A 42(m) Letter issued by Virginia Housing.

    a) An applicant will be permitted to submit an application without meeting the criterion in this Section 5.2.5., provided the applicant explicitly indicates that its application for such written certification has been formally submitted in an application to Virginia Housing, has been acknowledged and is pending.
    b) An applicant will be entitled to revise its application to (i) furnish a copy of a Reservation Letter issued by Virginia Housing and (ii) furnish a copy of the final written certification

(42(m) Letter) from Virginia Housing that the project's financing package will include low-income housing tax credits under IRC §42.

If low-income housing tax credits are not a part of the project's financing package, then documentation on participation in another federal, state, or local housing program with legally enforceable rent affordability standards must be included, and ***applicants are required to schedule a pre-application conference with DHCD staff before filing an application to discuss the subject project.***

6. Certification signed by an accountant, executive, or other appropriate entity attesting that (1) the project financing meets the 25% test; (2) setting forth a good-faith calculation of the percent of aggregate basis financed by the private activity bonds that will use the PAB Allocation; and (3) the applicant is requesting no more than 45% of the project's aggregate basis in PAB Allocation consistent with the submitted budget. This certification will be accompanied by a "sources and uses" table from which the aggregate basis was calculated, including sources and uses for both the construction phase and permanent phase of the project.

7. *Supplemental allocation only:* Applications for supplemental allocations of PAB Authority must certify that the allocation addresses project costs that have no alternative but to utilize additional private activity bond financing. The applicant must provide a detailed explanation of use of additional PAB Authority and the reason it was not included in original application.

5.3. Scoring Criteria

The overarching goal of DHCD's allocation of PAB Authority from the LHA Pool is to promote the construction, rehabilitation and preservation of affordable housing in high-need areas through the efficient allocation of PAB Authority. Based on that intent, DHCD has developed three scoring criteria to help advance this allocation priority.

Clear Description of Project Need:

DHCD will prioritize projects that address areas experiencing a greater need for affordable housing. In doing so, DHCD will consider the following criteria:

- A narrative submission by the applicant outlining the specific affordable housing needs that the project helps meet. Such narrative is limited to a two-page, single-spaced written narrative in 12-pitch Times New Roman font. DHCD's evaluation of the merits of such statement of needs will be based on its subjective discretion considering the policy objectives of the Commonwealth with respect to affordable housing.

- Local Housing Authority Diversity – Special consideration will be provided to Local Housing Authority applicants when the designated project is in a geographic jurisdiction that has not received a LHA Pool or Governor's Discretionary Pool Allocation award in recent years.

Demonstration of Readiness: (timeline/schedule)

DHCD will give priority to projects that demonstrate clear readiness for financing and would lead to the rapid production or rehabilitation of affordable housing. In doing so, DHCD will consider:

- Submission of documentation demonstrating an approved Plan of Development.

- Submission of documentation demonstrating zoning approval by the relevant locality sub-entity authorized to provide such approval.

- Submission of documentation from a bonded, licensed general contractor evidencing an executed, legally enforceable fixed-cost construction contract, or evidence of a near-final pending fixed-cost contract.

- Submission of a certificate or letter from an authorized officer of a Certified Market Analyst (certified by National Council on Housing Market Analysis (NCHMA)) attesting to the positive recommendation of the Analyst Firm. DHCD reserves the right to require the entire Market Study to be submitted.

- Submission of documentation regarding Developer Experience, including a schedule of all Low-Income Housing Tax Credit projects successfully completed within the past five years and a narrative description of experience and capabilities, limited to two pages.

Efficiency for Project Allocation Request:

DHCD will give priority to projects that demonstrate greater measures of project efficiency and that are mindful of the limited availability of PAB Authority. In doing so, DHCD will consider:

- The cost per unit created or rehabilitated. Applicants may provide a one-page narrative description of any particular facts or circumstances underlying the cost-per-unit created or rehabilitated.

- Leveraging of other financing resources, including rental assistance contracts, with a one-page schedule identifying Federal, Commonwealth or local resources legally obligated to support the project, with dollar amounts and date of commitment execution. Applicants may provide a one-page narrative description of any particular facts or circumstances underlying the leveraged resources being provided; and

- The amount of PAB Authority requested, representing no more than 45% of the project's aggregate basis in PAB Authority as certified in a written submission by a third-party certified public accountant or the authorized financial officer of the project sponsor, with a smaller basis request equaling a higher score and the use of tax-exempt proceeds beyond the construction period providing favorable consideration. Applicants requesting PAB Authority that represents more than 30% of aggregate basis and that is planned to be used for tax-exempt financing solely during the construction period of a designated Project (versus for long-term permanent financing) must provide a written narrative explaining the reasons for such request.

5.4 Conditional Eligibility Letter

DHCD will accept applications in the format as set forth in Section 5.2. and 5.3., and posted application materials, and including all required documentation, provided, that, in the event an applicant chooses to submit an application using the exception included in Section 5.2.5.a., DHCD will process the application on a conditional basis, pending receipt of the supplemental Reservation Letter and/or final 42(m) Letter referenced in Section 5.2.5.b. Further, based on receipt of a Reservation Letter, and the application's otherwise meeting all Minimum Criteria and achieving a score deemed by DHCD acceptable under Section 5.3, above (as elaborated in Section 5.5, below), DHCD, in its sole discretion,

may elect to issue a letter advising an applicant that its application has been deemed "conditionally eligible," subject to receipt of a final 42(m) Letter. No formal Allocation or award certificate will be issued by DHCD without the applicant's submission of a final 42(m) Letter and DHCD reserves the right to withdraw any such Conditional Eligibility Letter at any time in its sole discretion. For avoidance of doubt, applicants are advised that such Conditional Eligibility Letter does ***not*** represent an allocation of PAB Authority and should not be the basis for proceeding with a bond closing.

5.5. Scoring Rubric

Note: Please *see* Appendix A for a detailed description of documentation requirements for each of the items to be scored through this rubric.

Category		**Percent**	**Possible Points**
Project Need – 25%			
	Narrative Description of Need	10%	10 Points: where projects are designed to meet explicitly identified needs within a specific locality as documented in the locality's previously approved housing or development plan. • 10 points: Demonstrated alignment with a locality's explicitly identified needs • 5 points: Demonstrated alignment with locality's identified housing needs as documented in inducement resolution • 0 points: No demonstrated alignment with locality's identified housing needs
	Local Housing Issuer Diversity	15%	15 Points: where a designated Project is located in a locality that has not had a development financed with a LHA Pool or Governor's Discretionary Pool Allocation award in recent years. • 15 points: No LHA or Governor's Discretionary Pool Allocation within past 5 years • 10 points: No LHA or Governor's Discretionary Pool Allocation within past 3 years • 0 points: Frequent Issuer
Project Readiness – 40%			
	Approved Plan of Development	5%	5 Points: where submission of an approved plan provides 5 points.
	Zoning Document	5%	5 Points: where submission of a document (*either demonstrating approved zoning changes or that the project is by-right)* provides 5 points.

Category		Percent	Possible Points
	Market Analysis Recommendation	10%	10 Points: Certificate or letter from an authorized officer of a Certified Market Analyst (certified by National Council on Housing Market Analysis (NCHMA)) attesting to the positive recommendation of the Analyst Firm provides 10 points.
	Construction Contract	10%	10 Points: where documentation of an executed fixed cost construction contract equals a higher score. • 10 points: Certificate or letter of Authorized Officer of General Contractor attesting to an executed fixed cost construction contract. • 5 points: Certificate or letter of Authorized Officer of General Contractor attesting to near-final fixed-cost construction contract with pricing determined, awaiting financing approvals. • 0 points: There is no evidence of a construction contract.
	Developer Experience	10%	10 Points: where presence of additional Developer Experience can add up to 10 points: • 10 points: 5 or more bond projects in Virginia in the past five calendar years *or* 10 or more bond projects in the past seven calendar years (any state) • 5 points: 1-4 bond projects in Virginia in the past five years *or* 7 or more bond projects in the past five calendar years (any state) • 0 points: no submission or no bond projects
Project Efficiency - 35%			
	Cost per Unit	10%	10 Points: where a higher efficient use of resources (cost) score equals a higher score. • 10 points: Submitted narrative and accompanying schedule demonstrates significant focus on reduced cost per unit • 5 points: Submitted narrative and accompanying schedule demonstrates focus on reduced cost per unit • 0 point: No compelling narrative/schedule
	Other Resources Leveraged*	10%	15 Points: where evidence of more eligible resources leverage equated to a higher score: • 15 points: at least 3 other local, state, or federal resources leveraged.

Category		Percent	Possible Points
			• 10 points: at least two other local, state, or federal resources leveraged. • 5 points: at least one other local, state or federal resources leveraged. • 0 points: no other resources leveraged. *This includes grant or loan funding provided by a local, state, federal or other entity. It does not include GP, sponsor loans, or deferred developer fees or other similar items.
	Bond Request Size/Duration of Proceeds	15%	15 Points: where a lesser proportion of the aggregate basis requested equals a higher score: • 15 Points: 25.00 - 29.99% aggregate basis requested.[1] • 10 points: 30.00 - 35.99% aggregate basis requested. • 5 points: 36.00 - 39.99% aggregate basis requested. • 0 points: 40.00 - 45% aggregate basis requested. In addition, the percentage of bond proceeds exceeding 25% used for long-term financing (permanent, post-construction) will *not* be included in the above calculation for purposes of scoring. Applicants requesting PAB Authority that represents more than 30% of aggregate basis and that is planned to be used for tax-exempt financing solely during the construction period of a designated Project (versus for long-term permanent financing) must provide a written narrative explaining the reasons for such request.
Threshold Requirements (Section 5.2)		***Must be met to receive allocation***	
TOTAL		**100%**	**_/100 Points**

5.6. DHCD Discretion Regarding Allocation Decisions and Recommendations

In the event DHCD receives multiple properly completed applications meeting minimum criteria and with scores evidencing good faith compliance with the three categories of scoring criteria, and in the event that the available allocation in the LHA Pool and/or the Governor's Discretionary Pool is not

[1] Note, Applicants are cautioned to consider that the 25% aggregate basis requirement is a *minimum* aggregate basis requirement, *viz.,* the LIHTC eligibility depends on the use of tax-exempt financing representing at least 25% of the project's aggregate basis as defined in the IRC. Should unforeseen costs increase the amount of a designated project's aggregate basis such that the tax-exempt financing represents less than 25% of the aggregate basis, applicants will be required to seek a supplemental allocation of PAB Authority, the availability of which could be highly uncertain, and risk losing the LIHTC eligibility.

sufficient to provide allocation for all applications, DHCD reserves the right to apply judgment in its sole discretion in making allocation decisions and recommendations in furtherance of its role under the Code of Virginia.

DHCD reserves the right to defer granting or recommending PAB Authority to one or more applicants in Allocation Round 1 or Allocation Round 2 based on its sole judgment, which will consider, among other factors in its sole discretion, the overall pool of applicants, the overall demand for PAB Authority, the public policy priorities of the Governor and DHCD's overall judgment with respect to a given application. DHCD may choose to exercise such discretionary judgment notwithstanding an application's meeting minimum criteria or achieving a certain score under the scoring rubric described in these Guidelines.

5.7. Project Approval.

Upon scoring from DHCD and approval of an allocation of PAB Authority, a project of a Local Housing Authority must be approved by the governing body that has jurisdiction over the authority as well as by the governing body having jurisdiction over the locality in which the project is located. This is often the same governing body. In addition, upon DHCD's issuance of an award allocation certificate, applicants must comply with all terms and requirements set forth by DHCD in the award allocation certificate and any accompanying correspondence.

6. EFFECTIVE DATE OF GUIDELINES

The Guidelines presented above will not go into effect until January 1, 2027, upon approval of the BHCD before that date and completion of a final 30-day public comment period.

APPENDIX A: LHA/Governor's Discretionary Pool Application Documentation Requirements

General Instructions:

All applications and requests for PAB authority from DHCD shall be accompanied by documentation in form and sufficiency satisfactory to DHCD for each project (Minimum Criteria), as set forth in the Guidelines, Section 3.2. Such documentation shall be included in an application file including a table of contents and that explicitly segregates each qualifying documentation in a separate "tab" with a cover page labeling the document and which criterion it satisfies (*e.g.,* "Section 3.2.1.").

Applicants should provide documents in a single "PDF" file, with a cover page for each document responsive to Minimum Criteria (Section 3.2) and a numbered cover page for each item of documentation provided for the "Scoring Rubric" Section (Section 5.4.). For example, "1. Narrative Description of Need"

In addition, for purposes of scoring the applications, the following material should be organized within tabs:

Category	Percent	Possible Points	Required Documentation
Project Need – 25%			
1. Narrative Description of Need	10%	10 Points: where projects are designed to meet explicitly identified needs within a specific locality as documented in the locality's previously approved housing or development plan. • 10 points: Demonstrated alignment with a locality's explicitly identified needs • 5 points: Demonstrated alignment with locality's identified housing needs as documented in inducement resolution	Two-page, single-spaced narrative written 12-pitch Times New Roman font. May be accompanied by documentation from Locality's approved comprehensive plan, housing or development plan, or inducement resolution.

Category	Percent	Possible Points	Required Documentation
		• 0 points: No demonstrated alignment with locality's identified housing needs	
2. Local Housing Issuer Diversity	15%	15 Points: where a Designated Project is located in a locality that has not had a development financed with an LHA Pool or Governor's Discretionary Pool Allocation award in recent years. • 15 points: No LHA or Governor's Discretionary Pool Allocation within past 5 years • 10 points: No LHA or Governor's Discretionary Pool Allocation within past 3 years • 0 points: Frequent Issuer	One-Page Certificate of an authorized officer of the Local Housing Authority attesting to the frequency of LHA Pool or Governor's Discretionary Pool Allocation and that the Designated Project is located within the geographic jurisdiction of the Local Housing Authority
Project Readiness – 40%			
3. Approved Plan of Development	5%	5 Points: where submission of an approved plan provides 5 points.	Certificate of applicant or project sponsor affirming the approved plan of development, together with documentary evidence of Locality's approval.
4. Zoning Document	5%	5 Points: where submission of a document (*either demonstrating approved zoning changes or that the project is by-right)* provides 5 points.	Certificate of applicant or project sponsor affirming the sufficiency of zoning authorization, together with documentary evidence of Locality's approval.
5. Market Analysis Recommendation	10%	10 Points: Certificate or letter from an authorized officer of a Certified Market Analyst (certified by National Council on Housing Market Analysis (NCHMA)) attesting to the	A certificate or letter from an authorized officer of a Certified Market Analyst firm (certified by the National Council on Housing Market Analysts (NCHMA)),

Category	Percent	Possible Points	Required Documentation
		positive recommendation of the Analyst Firm provides 10 points.	attesting to the firm's positive recommendation. The letter should at minimum be on business letterhead; signed by an authorized officer (e.g., CEO, principal, managing director) of the NCHMA member firm; contain NCHMA member designation and current NCHMA professional member status; clearly stated market study; affirmative recommendation with confirmation the study conforms to NCHMA's Model Content Standards and Code of Ethics. .
6. Construction Contract	10%	10 Points: where documentation of an executed fixed cost construction contract equals a higher score. • 10 points: Certificate or letter of Authorized Officer of General Contractor attesting to an executed fixed cost construction contract. • 5 points: Certificate or letter of Authorized Officer of General Contractor attesting to near-final fixed-cost construction contract with pricing determined, awaiting financing approvals. • 0 points: There is no evidence of a construction contract.	Certificate or letter of Authorized Officer of General Contractor.

Category	Percent	Possible Points	Required Documentation
7. Developer Experience	10%	10 Points: where presence of additional Developer Experience can add up to 10 points: • 10 points: 5 or more bond projects in Virginia in the past five calendar years *or* 10 or more bond projects in the past seven calendar years (any state) • 5 points: 1-4 bond projects in Virginia in the past five years *or* 7 or more bond project in the past five calendar years (anywhere) • 0 points: no submission	Schedule of all Low-Income Housing Tax Credit projects successfully completed within the past five years and a narrative description of experience and capabilities, limited to a two-page, single-spaced narrative written in 12-pitch Times New Roman font. Please do not submit marketing or "pitch book" materials.
Project Efficiency - 35%			
8. Cost per Unit	10%	10 Points: where a higher efficient use of resources (cost) score equals a higher score. • 10 points: Submitted narrative and accompanying schedule demonstrates significant focus on reduced cost per unit • 5 points: Submitted narrative and accompanying schedule demonstrates focus on reduced cost per unit • 0 point: No compelling narrative/schedule	Narrative description of cost considerations, context and constraints, limited to a one-page, single-spaced written narrative in 12-pitch Times New Roman font.
9. Other Resources Leveraged*	10%	15 Points: where evidence of more eligible resources leverage equated to a higher score. • 15 points: at least 3 other local, state, or federal resources leveraged.	One-page tabular schedule identifying Federal, state or local resources legally obligated to support the project, with dollar amounts and date of commitment execution. Narrative explanation may be included, limited to one-page, single-

Category	Percent	Possible Points	Required Documentation
		• 10 points: at least two other local, state, or federal resources leveraged. • 5 points: at least one other local, state or federal resources leveraged. • 0 points: no other resources leveraged. *This includes grant or loan funding provided by a local, state, federal or other entity. It does not include GP, sponsor loans, or deferred developer fees or other similar items.	spaced narrative in 12-pitch Times New Roman font.
10. Bond Request Size/Duration of Proceeds	15%	15 Points: where a lesser proportion of the aggregate basis requested equals a higher score: • 15 Points: 25.00 - 29.99% aggregate basis requested.[1] • 10 points: 30.00 - 35.99% aggregate basis requested. • 5 points: 36.00 - 39.99% aggregate basis requested. • 0 points: 40.00 - 45% aggregate basis requested. In addition, the percentage of bond proceeds exceeding 25% used for long-term financing (permanent, post-construction) will *not* be included in the above calculation for purposes of scoring. Applicants requesting PAB Authority	"Sources and Uses" table for the project, including both construction phase and permanent phase, with detailed explanations for all elements of "capital stack". Certificate of a third-party independent accountant or the Authorized Financial Officer of the project sponsor providing aggregate basis calculation and certification. Written narrative for projects using more than 30% aggregate basis for construction-only financing.

[1] Note, Applicants are cautioned to consider that the 25% aggregate basis requirement is a *minimum* aggregate basis requirement, *viz.,* the LIHTC eligibility depends on the use of tax-exempt financing representing at least 25% of the project's aggregate basis as defined in the IRC. Should unforeseen costs increase the amount of a Designated Project's aggregate basis such that the tax-exempt financing represents less than 25% of the aggregate basis, applicants will be required to seek a supplemental allocation of PAB Authority, the availability of which could be highly uncertain, and risk losing the LIHTC eligibility.

Category	Percent	Possible Points	Required Documentation
		that represents more than 30% of aggregate basis and that is planned to be used for tax-exempt financing solely during the construction period of a Designated Project (versus for long-term permanent financing) must provide a written narrative explaining the reasons for such request.	
Threshold Requirements	***Must be met to receive allocation***		
TOTAL	**100%**	**_/100 Points**	

Abigail Spanberger
Governor

Carrie Chenery
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

Tamarah Holmes, PhD
Director

Memorandum

To: Board of Housing and Community Development

From: DHCD Staff

Subject: Urban Public-Private Partnership Redevelopment Fund Guidelines (SB285)

Date: October 9, 2026

Chapter 1001 of the 2026 Acts of Assembly (SB285) directs the Board in consultation with stakeholders to review and develop criteria and guidelines for the administration of the Urban Public-Private Partnership Redevelopment (UPPPR) Fund established by Chapter 24.1 of Title 15.2 of the Code of Virginia (§15.2-2414 et seq.).

This Fund was created in 2000 for making grants or loans to local governments to finance the assembling, planning, clearing, and remediation of sites for redevelopment. No previous funding has been provided by the General Assembly for the Fund.

The Board is directed to develop criteria and guidelines that 1) prioritize awards based on fiscal and assessment challenges and 2) defines local matching expectations. The Chair of the Board is directed to submit a report on any findings and criteria developed to the General Assembly by November 1, 2026.

At the July 13, 2026 meeting, the Board directed staff to consult the relevant stakeholders and create draft program guidelines to be presented to the Board. Enclosed are draft program guidelines and a report on findings for the Board's consideration.

Enclosure

Virginia Department of Housing and Community Development

Report of Findings and Criteria for Administration of the Virginia Urban Public-Private Redevelopment (UPPPR) Grant Program

Submitted To:

Chair, Senate Committee on Finance and Appropriations

Chair, Senate Committee on General Laws and Technology

Chair, House Committee on Appropriations

Chair, House Committee on General Laws

Submitted By:

Board of Housing and Community Development

Roger Jones, Chair

600 East Main Street, Suite 300

Richmond, Virginia 23219

November 1, 2026

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Background

Chapter 1001 of the 2026 Acts of Assembly (SB285) directed the Board of Housing and Community Development ("the Board") to review and develop criteria and guidelines for the administration of the Urban Public-Private Partnership Redevelopment (UPPPR) Grant Program established by Chapter 24.1 of Title 15.2 of the Code of Virginia. The legislation directed the Board to develop the program guidelines in consultation with the Virginia Association of Counties, the Virginia First Cities Coalition, the Virginia Municipal League, and the Virginia Economic Developers Association (hereafter referred to as the "Stakeholder Group"). The criteria must include prioritization for localities experiencing an above average and high level of fiscal stress as designated by the Commission on Local Government in its most recent Report on Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Cities and Counties as well as for localities experiencing a significant decrease in commercial real estate assessments. The legislation also required inclusion of the amount and type of local match with consideration of both monetary and non-monetary contribution requirements. The draft program guidelines are included in Appendix B. The Board has developed this report to provide the program guidelines and context on how certain determinations were made, as well as to provide findings from the process that may be informative to members of the General Assembly as they consider changes to the program or funding requests for the program during future General Assembly Sessions.

Context

The Urban Public-Private Partnership Redevelopment Fund ("Fund") was established in State Code by Chapter 757 of the 2000 Acts of Assembly (HB1232). The Fund was envisioned as a way to address a lack of supply of developable land in urban areas of Virginia and the high cost of redeveloping this land. The Fund is authorized to award funds competitively to local governments for assembling, planning, clearing, and remediating sites for the purpose of promoting sites to private developers for redevelopment. The program has never received funding and, as a result, DHCD has not actively administered the program. Since 2000, other programs have been created by the Commonwealth addressing areas that the UPPPR Program may have addressed. These include the:

- Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund, administered by the Virginia Economic Development Partnership (VEDP) in collaboration with the Virginia Department of Environmental Quality (DEQ);
- Virginia Business Ready Sites Program, administered by VEDP; and

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- Industrial Revitalization Fund, administered by the Virginia Department of Housing and Community Development (DHCD).

Process

The Board directed DHCD staff at its July 13, 2026, meeting to draft UPPPR Program guidelines in consultation with relevant stakeholders. DHCD staff drafted the program guidelines and provided them to the Stakeholder Group prior to meeting virtually on August 3, 2026. DHCD staff subsequently reached out to program staff at DEQ and VEDP to solicit their feedback based on their experiences operating similar programs in Virginia. DHCD staff then circulated a second draft of program guidelines to the Stakeholder Group and met virtually for a second time on September 3, 2026. The program guidelines and report were then sent to the Board of Housing and Community Development for review and approval at the October 19, 2026, meeting of the Board.

Program Guidelines Highlights

Following is a brief overview of key points from the criteria and guidelines.

Planning Grants

Funds going towards planning grants as a first step before applying for funding was one of the most consistent points of feedback received during the stakeholder engagement process. The current State Code language allows for "assembling, planning, clearing, and remediation of sites" as eligible activities. Stakeholders expressed concern that planning activities would not be adequately funded if application review was structured in a way where implementation applications were competing directly with planning applications. To remedy this, the UPPPR Program guidelines establish planning projects as a separate application type and with part of any future funding allocations specifically reserved for planning.

Award Amounts and Match

Chapter 1001 of the 2026 Acts of Assembly states that the program guidelines shall include "the amount and type of local match." Current State Code language establishes a cap of $500,000 for any grant from the program and requires a 100% match of funds by the local government that is applying for funding. This State Code language constrains the amount of match that the program guidelines must require. In the program guidelines, the $500,000 cap was maintained for implementation applications, and planning grant applications were given a slightly lower cap ($100,000), in line with planning grants for other programs DHCD administers. Chapter 1001 also references consideration of monetary and non-monetary

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contribution requirements. The program guidelines offer flexibility to localities with respect to meeting the match requirement using monetary and non-monetary sources. Within the confines of current State Code, the Stakeholder Group did not have concerns with the match requirements and planning grant cap included in the program guidelines; further discussion of grant caps and match amount requirements is included below under the "Findings" section.

Award Prioritization

Per Chapter 1001, the program guidelines were required to include prioritization of awards for localities experiencing high or above-average levels of fiscal stress. This requirement was included and will be straightforward to implement if the UPPPR Program is funded. Two points of clarification are included in the program guidelines regarding this prioritization. First, the fiscal stress designation will be based on the designation that was in place as of the day of the application deadline. This avoids confusion if a new report is issued in between when applications are submitted and when scoring starts. Second, the fiscal stress report does not generate stress scores for towns. To allow towns to submit applications, the program will use the stress classification for the county in which the town is located.

The program guidelines were also required to prioritize applications from localities with significant decreases in commercial real estate assessments. This requirement is included but would be more difficult to implement. Localities in Virginia vary in how frequently they reassess properties from every year to every 6 years. There was not a clear consensus from discussions with the Stakeholder Group on what frequency to use or what would constitute a "significant" decrease in commercial real estate assessments. In addition, there is not a single, reliable data source at the state level showing just commercial assessments for a locality that is updated regularly. DHCD staff reached out to staff at the Auditor of Public Accounts and the Department of Taxation, who communicated that current data collected focuses on total assessment value across all use classes for a locality. The decision was made to have localities self-report commercial assessment values in their applications because there is not a reliable data source at the state level for this information.

Findings

DHCD staff worked with stakeholders to incorporate their feedback into the program guidelines within the constraints of existing State Code. However, several points of feedback and consideration were mentioned that would require the General Assembly to amend State Code. These are organized by category below.

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Match

During stakeholder discussions, several organizations recommended for the match requirement to be reduced from the current 100% requirement in State Code. Reasons include allowing for greater access to the funding for localities. Some stakeholders mentioned adjusting match requirements based on local conditions, such as allowing for localities with higher levels of fiscal stress to have lower match requirements. The Commonwealth has many existing programs where distress is taken into consideration for match requirements.

Award Amounts

Some stakeholders mentioned a desire for the maximum award amount to be increased above the $500,000 cap currently in State Code. They stated that higher maximum award amounts would allow for funds to be more useful for large-scale projects.

Eligible Applicants

Current State Code language limits the eligible recipients of funds to local governments. Some stakeholders suggested revising the language to allow public authorities, such as industrial development authorities or economic development authorities, to receive funds on behalf of their respective locality.

Eligible Activities

Currently, State Code allows program funds to be used for "assembling, planning, clearing, and remediation of sites." Some stakeholders mentioned a desire to allow funds to be used for constructing infrastructure for redevelopment, as well as construction costs for rehabilitating buildings that currently exist on a property.

Commercial Real Estate Assessments

Chapter 1001 of the 2026 Acts of Assembly requires the program guidelines to prioritize awards to "localities experiencing a significant decrease in commercial real estate assessments." In addition to the challenges of gathering reliable data for this criterion, it was not clear from discussions with stakeholders that this priority would direct UPPPR Program funds to projects with the greatest need. Members of the Stakeholder Group referenced the potential for the program to provide support for redeveloping urban land that has long been underutilized. Private industry may not have found these sites attractive, but they could be important to localities and additional funds from the UPPPR Program could make the sites more compelling for private redevelopment. However, communities

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with this type of property may have had the value slowly decreasing over a decade or longer and may not receive additional priority for awards from this criterion as it currently exists.

Program Priorities

Stakeholders mentioned differing visions of what types of projects the UPPPR Program would ultimately support. These include re-development of sites for housing, rehabilitation of buildings, conversion of office buildings to residential buildings, and rehabilitation for aging office buildings. All or any of these may be useful for the Commonwealth, but they would involve different focuses for the program. The program guidelines that have been approved by the Board focus on complying with existing State Code language and the language from Chapter 1001 of the 2026 Acts of Assembly, as well as keeping the program broadly applicable across potential uses. Moving forward, if the General Assembly chooses to fund the program and make adjustments to the underlying State Code section, greater clarity about what the legislature wants to see with respect to funded projects would allow for future versions of program guidelines to better align with legislative intent.

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Appendix A

CHAPTER 1001 of the 2026 Acts of Assembly

An Act to require the Board of Housing and Community Development to review and develop appropriate criteria and guidelines for the administration of the Urban Public-Private Partnership Redevelopment grant program.

[S 285]

Approved April 22, 2026

Be it enacted by the General Assembly of Virginia:

1. *§ 1. That the Board of Housing and Community Development shall review and develop criteria and guidelines for the administration of the Urban Public-Private Partnership Redevelopment grant program established by Chapter 24.1 (§ 15.2-2414 et seq.) of Title 15.2 of the Code of Virginia in consultation with the Virginia Association of Counties, the Virginia First Cities Coalition, the Virginia Municipal League, and the Virginia Economic Developers Association. Such criteria shall include (i) award prioritization for (a) localities experiencing an above average and high level of fiscal stress as designated by the Commission on Local Government in its most recent Report on Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Cities and Counties and (b) localities experiencing a significant decrease in commercial real estate assessments and (ii) the amount and type of local matches with consideration of both monetary and non-monetary contribution requirements. The chair of the Board of Housing and Community Development shall submit a report on any findings and criteria developed to the Chairs of the Senate Committee on Finance and Appropriations, the Senate Committee on General Laws and Technology, the House Committee on Appropriations, and the House Committee on General Laws no later than November 1, 2026.*

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Appendix B

Urban Public-Private Partnership Redevelopment Fund Program Guidelines

Approved by Board of Housing and Community Development on [insert date]

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URBAN PUBLIC-PRIVATE PARTNERSHIP REDEVELOPMENT FUND

PROGRAM GUIDELINES

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INTRODUCTION

The Urban Public-Private Partnership Redevelopment (UPPPR) Fund is established under Chapter 24.1 (§ 15.2-2414 et seq.) of Title 15.2 of the Code of Virginia to "address the serious problem of a lack of developable land in urban areas of the Commonwealth and the high cost of redeveloping such land." To help address this issue, the UPPPR Program awards funds competitively to local governments for assembling, planning, clearing, and remediating sites for the purpose of promoting sites to private developers for redevelopment.

ELIGIBILITY

To be eligible for award funding through the UPPPR Program, projects must meet the requirements described below.

Eligible Applicants

Only local governments (cities, counties, or towns) may submit applications for funding.

The property for which a UPPPR award is sought may be publicly or privately owned, provided that the property has potential for redevelopment in line with the program goals. Applications involving privately owned sites will require an option agreement or other agreement between the applicant and the owner that details items such as the involvement by both parties, granting of access to the site for project activities, and commitments around future marketing and development or sale of the site.

Award Funding Structures

There are two application types within the UPPPR grant program: planning grants and implementation grants.

Planning grants are intended to fund early stage activities for redevelopment of sites, such as market studies, conceptual planning, or engineering/utility studies/design. These projects have a 1-year project period for applicants to complete work. The Department of Housing and Community Development (DHCD) will reserve 20% of the annual award amounts for planning grants. If the full amount allocated to planning grants is not awarded to projects, any remaining funds will go toward the allocation for implementation grants. If funds remain after implementation funds are awarded, DHCD reserves the right to hold subsequent planning grant rounds during the fiscal

year.

Implementation grants are intended to fund activities such as property assembling, clearing, and remediation. These projects have a 2-year project period for applicants to complete work.

All projects must be ready to execute a contract for their awarded funds within 6 months of award date.

Award Amounts

The maximum grant award is $500,000 per project for implementation projects and $100,000 per project for planning projects. An applicant may apply for less than the maximum. UPPPR Program Planning and Implementation grant awards require at least a 1 to 1 local match of UPPPR funds as described below.

Match

To demonstrate project viability and the applicant's commitment, and in accordance with § 15.2-2417 of the Code of Virginia, applicants receiving grant funding are required to provide a 100 percent (1:1) local match. The match must either be cash or documented costs, including in-kind costs, that are directly associated with the project scope for the property where UPPPR Program funds are to be expended. These funds can come from the applicant or from other federal, state, or private sources that the applicant has committed. Funds spent on the project scope of work during the preceding 3 fiscal years are eligible as match. The locality must provide a description of specific in-kind resources committed, including methods used to determine their value. Matching funds cannot have already been committed as match by the locality for another grant.

A locality may use documented administrative costs up to 5% of the total project budget as local match. The use of administrative costs as local match must be outlined in the application and will need to be documented through invoices or payroll records.

> ***Example**: An applicant that is seeking a $300,000 UPPPR grant must provide a match of at least $300,000 (100% match). A local match in excess of $300,000 may increase the application's score. This applicant could include up to $15,000 in documented administrative costs in their $300,000 match.*

UPPPR Program funds may not be used as a substitute for other funds the applicant has already committed to a project.

Eligible Match:

- Acquisition costs, which include the current property appraisal as documentation of value or documentation of purchase price (HUD-1 Settlement Statement, bill of sale or deed), whichever is less. If the property is sold for less than the appraised or assessed value, the lesser of the differences between the sale price and the

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appraised or assessed value is also eligible as in-kind match;

- Documented costs directly associated with physical activities for the UPPPR project scope of work;
- Construction-related soft costs such as engineering, design, or architectural activities (these must be specifically identified in the application);
- Public notices, permit or dumping fees, and inspection costs (or waivers of such) directly related to physical activities (these must be specifically identified in the application);
- No more than 5% local match will be accepted as in-kind or cash for out-of-pocket administrative costs.

Ineligible Match:

- State or local taxes;
- Interest or principal payments on current debt on the property;

Eligible Use of Funds

The UPPPR Program is flexibly designed so that funds can be used for a variety of revitalization and redevelopment activities such as **acquisition, planning activities, clearing, demolition, and remediation** of specific sites. Grant administration is **not** an eligible activity for the UPPPR Program.

In the case of acquisition, DHCD will limit its financial participation to the property's fair market value and the associated legal costs of acquisition. Fair market value is considered to be the lesser of the property's documented acquisition costs or appraised value. UPPPR Program funds may also be used for the legal costs associated with acquisition.

Eligible Properties

The program is targeted toward (functionally) **vacant and deteriorated** properties whose poor condition creates a notion of physical and economic blight in the surrounding area and often is a deterrent to surrounding development.

Eligible properties and structures may be envisioned for redevelopment for any market-driven purpose including mixed-use or residential, regardless of the original use. For purposes of the UPPPR Program, mixed-use is defined as "a building incorporating residential uses in addition to commercial, office, or industrial space."

FUND ACCESS

For UPPPR grants, a contract between DHCD and the grantee outlining end products, conditions, fund disbursement, and termination must be executed **before any funds are disbursed**. Funds may only be used for **expenses incurred after the contract signing**. Grant funds are available

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on a **reimbursement basis only** for costs the applicant has incurred and paid for.

Funding Priorities

The ultimate intent of the UPPPR Program is to fund projects that will spark additional private investment in distressed areas that have been targeted for economic development and community revitalization as part of a larger economic restructuring or economic development strategy. DHCD staff will consult with other agencies and partners when applicable during application review to ensure project viability and synchronization of efforts. Based on that intent, DHCD has established the following funding priorities:

1. Clear relationship to a local or regional development or housing strategy

Applicants must identify the development or housing strategy that the proposed project will support. This strategy should be an element of an existing redevelopment, housing, blight removal, or economic development plan, and applicants should cite the specific documents that substantiate the goals of the project. Applicants must explain what is currently being done in the community and how the UPPPR Program funds will accelerate and expand those economic restructuring and development activities. Additionally, the application should identify why the proposed project is being prioritized for UPPPR Program funds over other projects in the locality.

2. Demonstrated limited availability of developable land and need for funds

Applicants must demonstrate that there is limited developable land in the area and that addressing the specific property is a local priority. Applications that address how the specific property has had a negative impact on the surrounding area or corridor will be a higher priority for funding. Applicants may use real estate data and maps to demonstrate limited availability. In addition, applicants should explain the current economic challenges in the area that lead to the need for UPPPR Program funds.

3. End use will have a clear and significant community impact

Applicants must describe how the project will have a clear positive impact on the community. Applicants must demonstrate how the completion of the UPPPR project will be a catalyst to larger revitalization efforts in the locality and region and will spark additional investment in the surrounding area.

In addition, applicants should describe how the project may be catalytic to the community in non-economic terms (such as access to services or resources, workforce development, and quality of life improvements). Projects that show significant community economic impact will be given higher priority.

4. Project readiness

DHCD will give higher priority to projects that will lead to the efficient redevelopment of properties.

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Projects that can demonstrate "readiness to proceed" will be given the greatest consideration. Readiness to proceed is demonstrated by having finalized plans and committed funding in place. Capacity for project or plan implementation by the locality will also be a consideration in project readiness. Readiness to proceed should be demonstrated by community support for the project, and the receipt of public input where appropriate.

NOTE: Any developers, contractors, and professional services funded by the UPPPR Program must be procured in accordance with the public procurement requirements. Applicants will submit documentation to detail that procurement requirements have been met for any professional services contracted to date.

DHCD reserves the right to withdraw funding should the applicant not be under contract/close the UPPPR Program funding within 6 months of project award. DHCD also reserves the right to withdraw funding if there are substantial or significant changes to the development team, scope of work, or community economic benefit.

5. Project has a clear end use (implementation applications only)

Successful applicants will be able to identify a tangible end use to be completed in a reasonable amount of time. Projects that have speculative or undetermined end uses will be considered a lower priority.

6. Amount needed for the project to be feasible

Due to budget constraints, DHCD is not always able to fully fund requests. This priority will help clarify the minimum UPPPR Program funding needed for a project to remain feasible. Applicants will be asked to provide a justification and any documentation that will support the evaluation of this priority.

7. Award Prioritization

Additional priority will be given to localities experiencing an above average or high level of fiscal stress, as designated by the Commission on Local Government in its most recent Report on Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Cities and Counties. For the purposes of application review, designations from the most recent report as of the date of the application deadline will be used. Towns applying for funding will use the distress classification for their county for their application.

In addition, extra consideration will be given to localities experiencing a significant decrease in commercial real estate assessments. To qualify for this additional scoring weight, localities must provide the total commercial real estate assessments for their most recent assessment cycle versus the previous assessment cycle.

Other Considerations

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DHCD encourages localities to apply for projects that will have a strong significance to the broader community and region, in areas of ongoing or identified redevelopment/revitalization. Applicants will receive **bonus points** for projects that meet one or more of the following characteristics:

- Part of a significant **regional focus**. This includes projects located in an area covered by a revenue-sharing agreement or projects cited in a formal regional development plan or housing strategy.
- Eligibility for local real property tax abatements (§58.1-3221) or other **local incentives** to encourage investment.
- Location in a designated **Virginia Main Street** community; an **Enterprise Zone**; an **Opportunity Zone**; a local, state or federal **historic district**; a **redevelopment or blight removal district**; a **Technology Zone**; or other similar district.
- Committed project match exceeds 1:1 match.

Application Limits

A locality may only submit **one** implementation application and **one** planning application per funding round; therefore, localities must identify and authorize the projects that will have the most meaningful impact on local community revitalization and economic development efforts. As such, a resolution from the local governing body authorizing the request for funding is an application requirement. A project that encompasses multiple properties is eligible for consideration if the locality includes all properties in one application.

In addition, localities may submit more than one planning or implementation application per funding round if the additional application can demonstrate meaningful participation in the project of at least one other locality. For the purposes of these guidelines, this means that the other locality (or localities) is contributing either cash or in-kind match for the project scope of work.

CONTACT INFORMATION

For more information on the UPPPR Program, please contact:

Virginia Department of Housing and Community Development
600 East Main Street, Suite 300
Richmond, Virginia 23219
realestate@dhcd.virginia.gov
(804) 371-7000

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Abigail Spanberger
Governor

Carrie Chenery
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

Tamarah Holmes, PhD
Director

Memorandum

To: Board of Housing and Community Development

From: DHCD Staff

Subject: Enterprise Zone Grant Program

Date: October 9, 2026

The Enterprise Zone Grant Program is a partnership between state and local government that encourages job creation and private investment. The program accomplishes this by designating Enterprise Zones throughout the state and providing two grant-based incentives, the Job Creation Grant (JCG) and the Real Property Investment Grant (RPIG), to qualified investors and job creators within those zones, while the locality provides local incentives.

The Board of Housing and Community Development is authorized by State Code (§59.1-541.) to promulgate rules and regulations prescribing procedures for implementing the Enterprise Zone Grant Program. Enclosed for the Board's review and approval are three guidance documents related to the program with updates for Grant Year 2026: Job Creation Grant Instruction Manual, Real Property Investment Grant Instruction Manual, and CPA Agreed Upon Procedures Manual. A summary of the updates has also been included.

Enclosure

Virginia Enterprise Zone Manual Updates

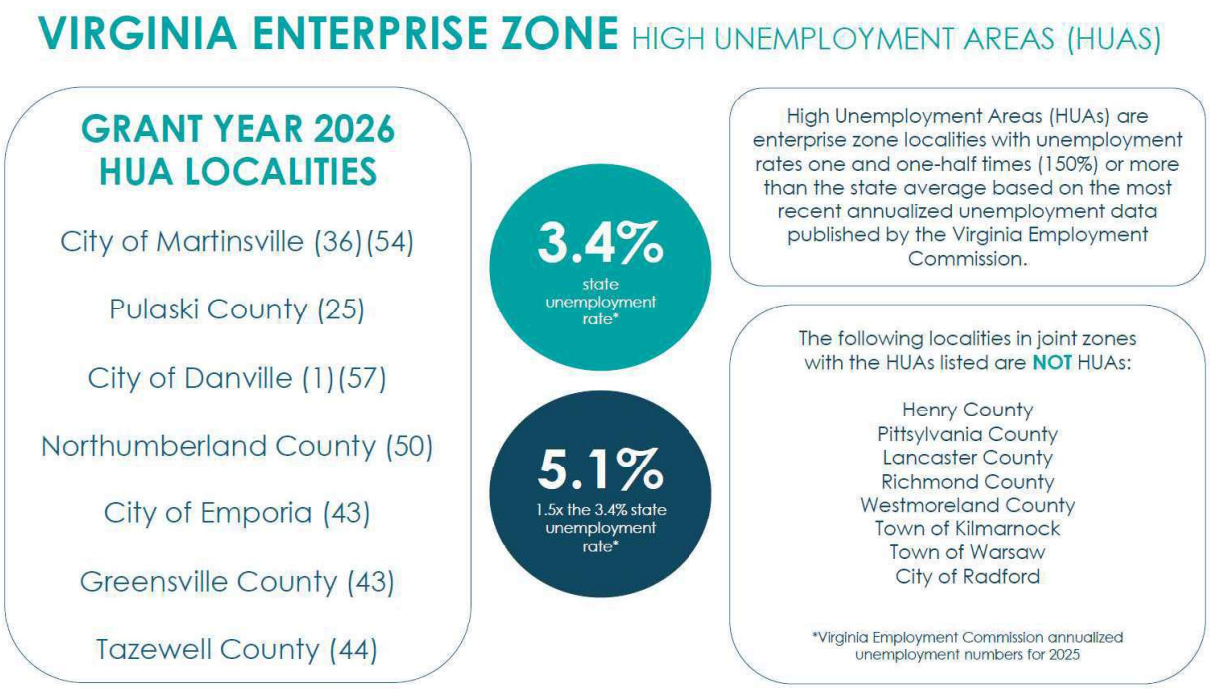
GY2026 Real Property Investment Grant Instruction Manual

1. Correct typos and spacing throughout the document
2. Change GY2025 to GY2026 throughout the manual
3. Change all dates to be accurate for this year
4. Page 3 paragraph 3-change for accuracy, as the situation with funding and prorations has changed since last year
5. Page 7 Change language for clarity. Change "The entity or individual capitalizing or expensing the costs associated with the real property investment is the applicant/zone investor and may apply for the RPIG" to "The entity or individual who capitalizes on the investment on their books or deducts the investment as a business expense under federal Treasury Regulations for tax purposes may apply for the RPIG."
6. Page 7 #1 add "$300,000" to include the third tier as an example
7. Page 12 change language from "If possible, submit" to "must be submitted" for clarification
8. Page 14 added "If you have questions about a project or need guidance on the placed in service documentation, please contact the Local Zone Administrator or our office at ezone@dhcd.virginia.gov"
9. Page 15 add to the first sentence, "verifies building or trade permits were not required for the qualified investments" and "based on Section 113.7.1 in the Code of Virginia" for clarification.
10. Page 21 second bullet on the page add "$300,000" to include new third tier

GY2026 Job Creation Manual

1. Correct typos and spacing throughout the document
2. Change GY2025 to GY2026 throughout the manual
3. Change all dates to be accurate for this year
4. Page 3 paragraph 3-change for accuracy, as the situation with funding and prorations has changed since last year
5. Page 4 remove sentence "The JCG Worksheet must be completed each year…" (this is not a requirement)
6. Page 6-8 Change wage rates to include updated numbers

7. Page 8 update for this year's High Unemployment Areas to include:

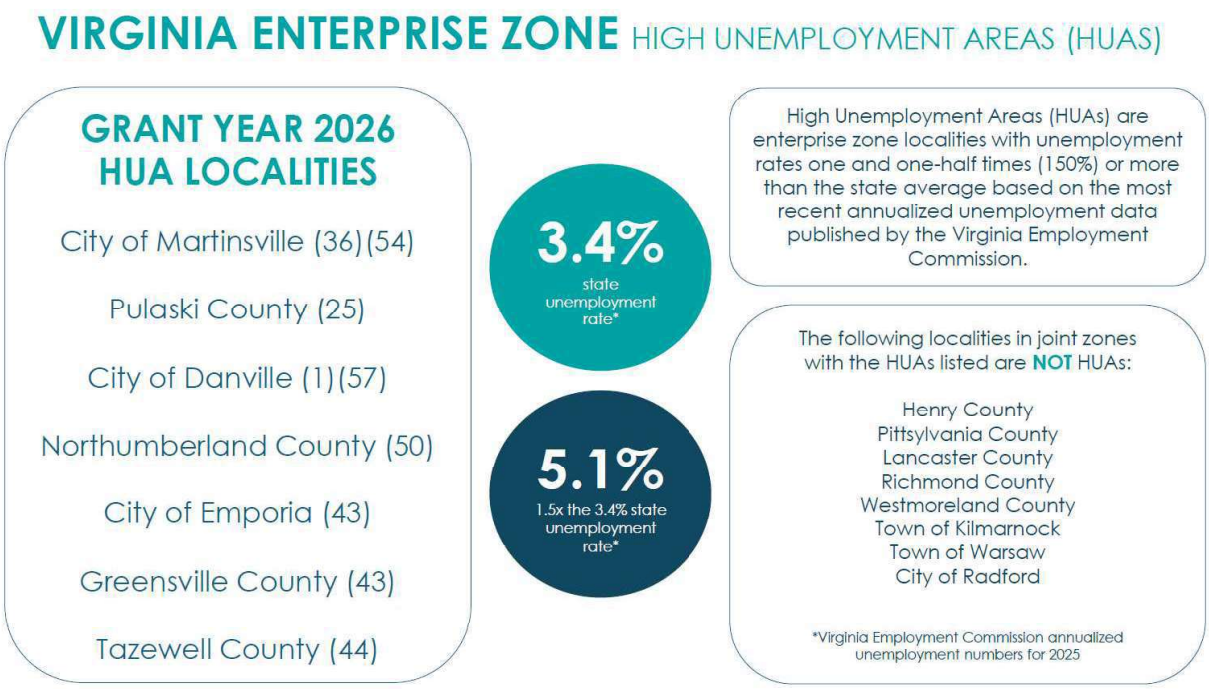


8. Page 13-14 Update names for new examples for clarification
9. Page 18 change wording-instead of putting EXEMPT as the CPA name, check box for exemption (this was changed to make it easier for the applicant and to have better records in our system)

<u>GY2026 CPA Agreed Upon Procedures Manual</u>

1. Correct typos and spacing throughout the document
2. Change GY2025 to GY2026 throughout the manual
3. Change all dates to be accurate for this year
4. Page 3 paragraph 3-change for accuracy, as the situation with funding and prorations has changed since last year

5. Page 9 update for this year's High Unemployment Areas to include:



6. Page 25 under part A after "the physical address" add "of the zone establishment" for clarification and add "verifies building or trade permits were not required for the qualified investments for which the applicant is seeking the grant and references the minimum acceptable qualifications for third party inspections based on Section 113.7.1 in the Code of Virginia."

VIRGINIA ENTERPRISE ZONE

GY2026 Real Property Investment Grant

INSTRUCTION MANUAL



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dhcd.virginia.gov/vez
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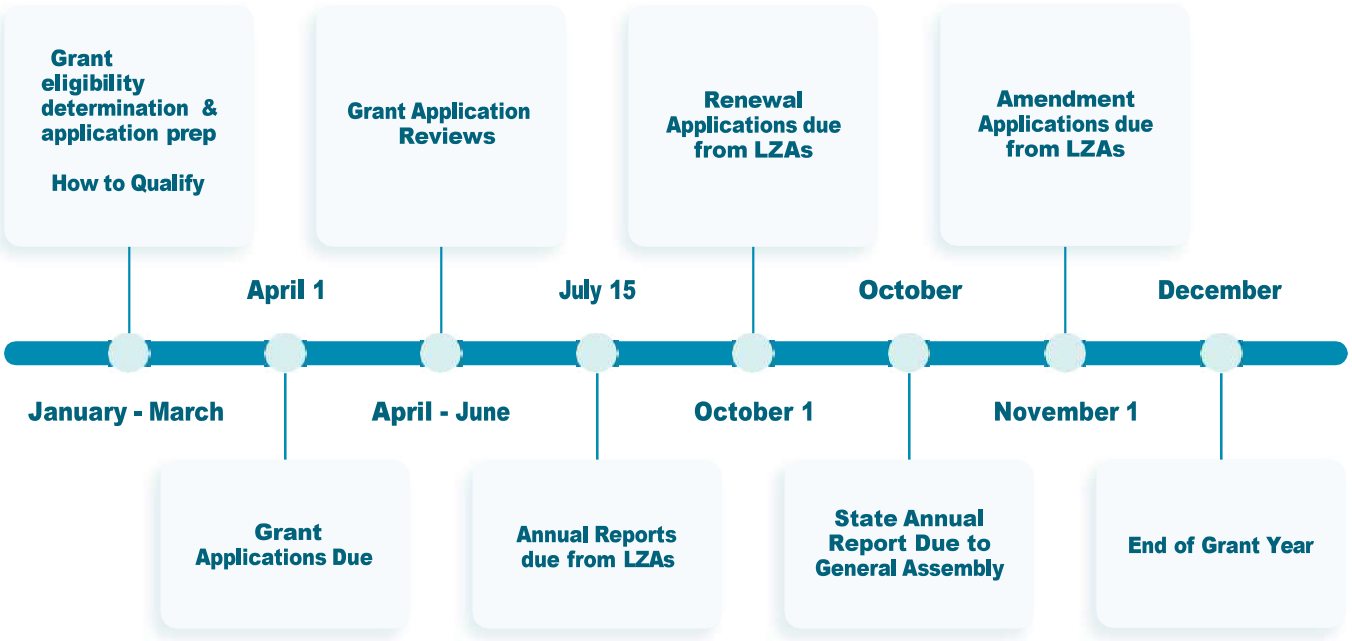
26 Definitions for RPIGs

Introduction

The Virginia Enterprise Zone (VEZ) program is a partnership between state and local government that encourages job creation and private investment. VEZ accomplishes this by designating Enterprise Zones throughout the state and providing two grant-based incentives, the Job Creation Grant (JCG) and the Real Property Investment Grant (RPIG), to qualified investors and job creators within those zones, while the locality provides local incentives.

VEZ grants are subject to an annual appropriation by the General Assembly. By statute, the JCGs receive funding priority. After fully funding the JCGs, the remaining funds are allocated to the RPIGs and the amount paid to each RPIG applicant is prorated proportionally if grant requests exceed the remaining funds.
In past years, the program faced challenges in fully funding RPIG applications, which necessitated the need for prorating RPIGs. Since 2021, however, the program funding and number of grant requests have allowed for the full funding of both JCGs and RPIGs.

Annual Timeline



Grant Year 2026 Timeline

FINAL PLACED-IN-SERVICE DOC	QUALIFICATION DETERMINATION	APPLICATIONS DUE TO DHCD	DHCD REVIEW	FUNDING RELEASED
Calendar Year 2026 Final placed-in-service documentation received	**January - March 2027** Supplemental forms, CPA Attestation, How to Qualify Workshops/ Webinars	**April 1 2027** Submissions of applications electronically on EZ Application Submission Portal (hard copy NOT accepted)	**April - June 2027** DHCD staff reviews apps. Notifies grantees of changes that need to be made for approval	**June 2027** Funds disbursed

Application Information

APPLICANT | The person who capitalizes on the investment on their books or deducts the investment as a business expense under federal Treasury Regulations for tax purposes (units of local, state, or federal government are **not** eligible). The applicant is also referred to in this manual as the qualified zone investor.

QUALIFIED ZONE INVESTOR | An owner, tenant, or developer of real property located within an Enterprise Zone who expands, rehabilitates, or constructs such real property for commercial, industrial, or mixed use.

APPLICATION | In order to be eligible, the qualified zone investor must complete and submit all required application components. The application is submitted online through the EZ Application Submission System site: dmz1.dhcd.virginia.gov/EZonePortal/

- Commonwealth of Virginia W-9 Form
- Local Zone Administrator (LZA) Review Form
- Applicant Declaration Form
- Final Placed-in-Service Document
- CPA Attestation Report
- Supplemental Forms include Multiple Owner Form, Tenant Coordination Form, Tenant Owner Consent Form, and Mixed-Use Form.

SAMPLE APPLICATION PAGE | This document is in place of Form EZ-RPIG and Form EZ-JCG/JCG-HUA/SWaM. It is **not** a required upload.

- Form EZ-RPIG & Form EZ-JCG/JCG-HUA/SWaM are no longer required documents to be uploaded.
- Information from these forms is entered directly into the EZ Application Submission System.
- It is not possible to open the application, fill in some information, and save the application. All information must be filled in and submitted at the same time.
- The Sample Application Page document is provided for zone investors to utilize to gather the necessary information for the application submission **before** submission.
- The Sample Application Page document is **not** required for submission and is **not** required to be uploaded.
- All required attachments/uploads, including the COV W-9, the LZA Review, the Application Declaration, the CPA Attestation Report, Final Placed-in-Service document, and all supplemental documents must be uploaded in the EZ Application Submission System in the appropriate “Uploaded Documents” Section.

CPA ATTESTATION REPORT | An independent (external of the zone investor) Certified Public Accountant (CPA), licensed in Virginia, must attest to the application materials and complete the CPA Attestation Report to be submitted with all RPIG applications. The Agreed-Upon Procedures for CPA Attestations and Attestation Report Templates are available on the EZ Application Submission System.

Submittal Requirements

APPLICATIONS MUST BE SUBMITTED THROUGH THE SYSTEM NO LATER THAN 11:59PM, APRIL 1, 2027 (EDT). Applicants will be prompted to save and print the completed application for their own records. DHCD is unable to pre-qualify any applicants.

LATE APPLICATIONS/APPLICATIONS WITHOUT CPA ATTESTATION REPORT | Any application submitted without the required CPA Attestation Report or submitted after the deadline will be considered late. Such applications are held until DHCD determines that funds remain after fully funding on-time applications. At such time, DHCD will review and process late applications on a first-come, first-served basis.

MULTIPLE APPLICATIONS | If submitting more than one application, each grant application and associated materials must be submitted separately via electronic submission.

APPLICATION CONFIRMATIONS | Email confirmations will be sent throughout the submittal process to keep the applicant informed of the status of the application and to bring any submittal issues to the applicant's attention prior to certain deadlines. Applicants will receive confirmations in the following order:

1. **Successful submission of online application -** This email will indicate the date and time of the submittal. DHCD recommends applicants print the application at this time and retain confirmation emails with their grant records. If the applicant has submitted all required documents with required signatures, this notification is the only one that will be received.
2. **Notification of deficiencies -** DHCD will notify applicants by May 15 in cases where any additional information is required due to application deficiencies. The email will be sent from the following address: ezone@dhcd.virginia.gov. Please reply directly to that address when responding.
3. **Notification of resolution of deficiencies -** Applicants must resolve any identified deficiencies by June 1. Once the applicant provides the requested information, a final email will be sent to the applicant confirming DHCD's receipt of the requested material.

Summary | Eligibility Requirements

To be eligible, properties must be located in the boundaries of an Enterprise Zone. To determine whether your property is located in an EZ, contact your locality's economic development department.

ELIGIBLE INVESTORS/GRANTEES:

- Owns building (occupant)
- Owns building (non-occupant)
- Owns space in building (office condo)
- Tenant
- Developer

ELIGIBLE PROPERTY TYPES:

- Building
- Facility

ELIGIBLE PROPERTY USES:

- Industrial
- Commercial (includes office space)
- Mixed-use (at least 30% of the usable floor space must be industrial or commercial to be eligible)

ELIGIBLE INVESTMENTS:

- Rehabilitation or expansion
- New construction
- Solar-only (meaning solar is the only

component added to the building or facility)
- Rehabilitation/expansion with solar
- New construction with solar

INVESTMENT THRESHOLDS:

- **Rehabilitation or expansion** - total amount of improvements must exceed $100,000 in Qualified Real Property Investments (QRPI) to be eligible
- **New construction** - total amount of improvements must exceed $500,000 in QRPI to be eligible
- **Solar-only –** no minimum threshold
- **Rehabilitation/expansion with solar –** if solar investment is more than $50,000, the total amount of improvements must exceed $50,000 in QRPI to be eligible
- **New construction with solar –** if solar investment is more than $50,000, the total amount of improvements must exceed $450,000 in QRPI to be eligible

GRANT CAP AND CALCULATIONS:

- Grants based on amount of **qualified real property investment (QRPI) –** hard construction costs (full list in the RPIG manual)
- Grants up to **20% of the QRPI up to $100,000** per building/facility for QRPIs ≤$5M in a 5-year period (less the threshold amount)
- Grants up to **20% of the QRPI up to $200,000** per building/facility for QRPIS >$5M but ≤ $20M in a 5-year period (less the threshold amount)
- Grants up to **25% of the QRPI up to $300,000** per building/facility for QRPIs >$20M in a 5-year period (less the threshold amount)
- Real property investment expenditures funded by federal, state, or local grants are **not eligible** for an RPIG and must be **excluded** from the application.

Eligible Properties

MUST BE LOCATED IN AN EZ TO BE ELIGIBLE

Contact your Local Zone Administrator (LZA) (usually a member of the locality's economic development staff) to confirm that the building or facility is within the boundaries of an Enterprise Zone. Contact information for LZAs is available online at: dmz1.dhcd.virginia.gov/EZoneportal/ZoneAdminInfo.aspx

BUILDINGS & FACILITIES ARE ELIGIBLE

A facility is a complex of buildings, co-located at a single physical location within an Enterprise Zone, all of which are necessary to facilitate the conduct of the same trade or business. A facility typically represents a group of buildings under common ownership, management, and operations. Examples of facilities: mall, lumber mill plant, hotel with multiple buildings.

Common management and operations means that the group of buildings is designed to function as a unit, such that in the case of tenants, a management company dictates their hours of operations, etc. Clustered buildings that are not related operations but choose to co-locate for convenience or by coincidence do **not** constitute a facility. Clustered buildings that share operations, amenities, and employees **do** constitute a facility.

ELIGIBLE PROPERTY END-USES

- Commercial (includes office space)
- Industrial
- Mixed-use—those incorporating residential uses in which a minimum of 30% of the

usable floor space is devoted to commercial, office, or industrial use. (No more than 70% of the usable floor space in a mixed-use building or facility may be devoted to residential use to be eligible.)

ELIGIBLE PROPERTY INVESTMENTS

- Rehabilitation (with or without solar)
- Expansion (with or without solar)
- New construction (with or without solar)
- Solar-only (meaning solar is the only component added to the building or facility)

Eligible Applicants

APPLICANTS/ZONE INVESTORS

The entity or individual who capitalizes on the investment on their books or deducts the investment as a business expense under Federal Treasury Regulations for tax purposes may apply for the RPIG and includes:

- Property owner (occupant or non-occupant)
- One of multiple owners within a building
- Tenant
- Developer

MULTIPLE OWNERS IN A BUILDING/FACILITY

The applicant must coordinate qualification with all other owners within the building/facility.

The qualified zone investor applying for an RPIG must have adequate documentation (such as a deed of trust or an official property assessment) to indicate the portion of the building (square footage) owned by the zone investor on the date of issued placed in service document.

The applicant must also request supporting documentation to determine the portion of the building that is owned by the other individuals or entities.

In cases where the required coordination does not take place, DHCD will determine the maximum grant amount available based on the proportion of the building the applicant owns.

1. The maximum grant amount available ($100,000, $200,000, or $300,000) will be determined by the cumulative qualified real property investments made to the building/facility within the consecutive 5-year period.
2. DHCD will then multiply the applicable grant cap by the percent of the building's usable floor space for which the tenant has a lease or for which the owner has a deed of trust.

For qualified real property investments less than or equal to $20 million, the grant cannot exceed the amount of 20% of the applicant's qualified real property investment made in excess of the applicable investment threshold (not to exceed the maximum investment cap), whichever is less. For qualified real property investments greater than $20 million, the grant cannot exceed the amount of 25% of the applicant's qualified real property investment made in excess of the applicable investment threshold (not to exceed the maximum investment cap), whichever is less.

Qualified zone investors applying as an owner of space within a building **must** submit supplemental forms verifying coordination with the other owners. Coordination requires all owners to provide their notarized signatures and square footage owned as indication of their understanding that RPIG awards are capped per building or facility. This is to ensure that no more than the applicable grant cap is requested within a 5-consecutive year period for the building or facility. All forms must be uploaded and submitted in the EZ Submission System at the same time as other application materials.

TENANTS

Tenants may apply for qualified real property investments made to the portion of the building for which they hold a valid lease, only if the improvements were made directly by the tenant and not the owner of the property.

INVESTMENT	APPLICANT
Leasehold improvements made directly by tenant	Tenant
Improvements made by landlord/owner under a capital lease	Tenant
Improvements paid for by landlord/ owner as part of an operating lease	Landlord and/or owner

Only leasehold improvements made directly by a tenant or improvements made under a capital lease are considered grant eligible.

Qualified zone investors applying as a tenant **must** submit supplemental forms verifying coordination with the owner of the property and/or other tenants. Coordination requires all owners and/or tenants to provide their notarized signatures and square footage owned as indication of their understanding that RPIG awards are capped per building or facility. This is to ensure that no more than the applicable grant cap is requested within a 5-consecutive year period for the building or facility. All forms must be uploaded and submitted in the EZ Submission System at the same time as other application materials.

DEVELOPERS

If a developer incurred expenditures for the real property investments but does not own the building at the time of application for RPIG, additional documentation must be submitted. Depending on the developer/owner situation, different forms of documentation will be required.

If the developer owned the building when placed-in-service documentation was issued (the name of the developer is listed as “owner” on placed-in-service document), the developer must provide documentation that verifies ownership at the time of issuance. This could be a parcel print out that provides transaction history or a sales document that proves the date of sale as **after** the placed-in-service issuance.

If the developer sold the property before the issuance of the final placed-in-service documentation, the developer must prove that they have received consent from or coordinated with the current building owner(s) in one of two ways:

- Provide the sales contract with the new owner(s) that notifies them of the grant availability and the developer’s intent to apply.

- Provide a letter that notifies the current owners of the grant availability and the developer's intent to apply. The letter must be signed by the current owners and notarized.

If the developer builds a new building and sells the office space within the building prior to receiving the final Certificate of Occupancy (CO), then then the developer may be eligible for the maximum grant amount. The developer **must** stipulate that the intention to apply for the full grant amount was in the sales contract with the new owners (developer **must** provide this to DHCD). If there was no stipulation, the grant request must be coordinated with the other owners of the building as of the date of the issued CO or other applicable final placed-in-service documentation. A notarized letter signed by the current owners qualifies as coordination.

Determination of Grant Year

GRANT YEAR = YEAR THAT THE PROPERTY WAS PLACED-IN-SERVICE

An applicant must apply for the RPIG for the calendar year in which the building was placed in service. To be eligible for Grant Year 2026, the placed-in-service documentation must be approved within the 2026 calendar year (between January 1 and December 31, 2026). Grant Year 2026 RPIG applications are due by 11:59 p.m. on April 1, 2027.

The RPIG application may only include qualified real property investments that were completed under the final placed-in-service document provided and capitalized or expensed by the qualified zone investor. The placed in service date is:

- the date in which the final, approved CO is issued
- the date in which a final inspection is approved for work done at the property, as long as no other trades permits are pending for the project and a CO was not required
- in cases where the locality did not require permits, the date of a licensed third party inspector's report which states that the project is complete (accompanied by a letter from the locality stating no permits were required for the scope of work)

Due to statutory restrictions, DHCD is unable to process applications with placed-in-service documentation from previous calendar years, such as a final building inspection or final CO issued in 2025. Also, properties placed-in-service during 2027 will need to wait until the next grant cycle to apply for funding.

Qualified Real Property Investments

Prior to beginning an RPIG application, a qualified zone investor should determine if they meet the basic qualification criteria. Applicants should first assess the applicable type of qualified real property investment— rehabilitation, expansion, or new construction. They should then determine if they meet the respective minimum investment threshold in

INVESTMENT	APPLICANT
Rehabilitation & expansion	$100,000 in QRPIs
New Construction	$500,000 in QRPIs
Solar-only (solar is the only component added to a building/facility)	No minimum threshold

qualified real property investments.

Qualified real property investments include expenditures associated with any exterior, interior, structural, mechanical, or electrical improvements necessary to construct, expand or rehabilitate depreciable real property for commercial, industrial, or mixed use. Qualified real property investments include any such expenditure regardless of whether it is considered properly chargeable to a capital account or deductible as a business expense under federal Treasury Regulations.

INVESTMENT	APPLICANT
Rehab/Expansion with solar	If solar investment is more than $50,000, the minimum threshold is $50,000 in QRPIs
New construction with solar	If solar investment is more than $50,000, the minimum threshold is $450,000 in QRPIs

For example, if a zone investor's QRPI in the rehabilitation of an existing building is $500,000, the amount of RPIG they would be eligible to apply for is $80,000 ($500,000 - $100,000 threshold = $400,000 grant eligible QRPI; 20% of $400,000 is $80,000).

INVESTMENT TYPE	REHAB &/OR EXPANSION	NEW CONST	REHAB/ EXP. CAPPED	NEW CONST. WITH OVER $50K SOLAR	REHAB/ EXP. WITH OVER $50K SOLAR	SOLAR-ONLY
TOTAL QRPI	$500,000	$900,000	$2,000,000	$1,000,000	$100,000	$75,000
SUBTRACT THRESHOLD	-$100,000	-$500,000	-$100,000	-$450,000	-$50,000	-$0
GRANT-ELIGIBLE QRPI	$400,000	$400,000	$1,900,000	$550,000	$50,000	$75,000
MULTIPLY BY 20 %	X .20	X .20	X .20	X .20	X .20	X .20
GRANT REQUEST	$80,000	$80,000	$380,000	$110,00	$10,000	$15,000

QUALIFIED

Cabinetry (if taxed as real property)
Carpentry
Ceilings
Clean-up and dumpsters
Contractors
Doors and windows
Drainage systems
Driveways and paving (to property line)
Drywall and plaster
Electrical improvements*
Elevators
Excavation and grading
Exterior repair
Fencing and gates
Fire suppression systems & sprinkler systems
Fixtures
Gas station canopies (if taxed as real property)
HVAC
Landscaping (including retention ponds)
Lead and termite abatement
Loading docks
Management (superintendents, CM/PM)
Masonry
Mechanical improvements*
Painting
Plumbing
Roofing and flashing
Sidewalks (to property line) & patios
Solar panels**
Storm water management
Thermal/moisture protection
Wheelchair lift

***Equipment unrelated to construction and labor/material may not be included in this category**

****Solar panels in excess of $50,000 can qualify for lower thresholds**

UNQUALIFIED

Accounting and bookkeeping costs
Acquisition costs
Appraisals
Architectural, engineering and design fees
Bidding Process
Blinds or other window treatments
Bonding
Closing costs
Furnishings
Insurance
Kitchen and laundry appliances
Legal, marketing, or other
Machinery, tools, and equipment
Outbuildings
Permits, user fees, zoning fees, impact fees, inspection fees, or development fees
Professional services (soft costs)
Realtor, sales, and leasing fees
Real estate taxes
Rent loss
Signage or wayfinding signage
Soil testing
Surveying fees
Sweat equity
Temporary facilities
Public roads and sidewalks
Utility hook-up, extension, or access fees
Well, septic, or sewer systems
Workstations and cubicles (unless taxed as real property)

No soft costs
No machinery and tools
No business personal property

All grants of public funds (federal, state, local) where the grant proceeds were used to fund QRPIs **should be excluded** from the investment total. Grants received from private foundations may be used for QRPIs that can be included in the investment total.

QUALIFIED INVESTMENTS

How to know if something qualifies for RPIG:

1. Was it capitalized or expensed on the qualified zone investor's books? (If no, then ineligible.)
2. How is it taxed by the locality? (If not Real Property, then ineligible).
3. If the tenant moved out, could the item be removed? (If yes, then ineligible).

These questions are not a clearinghouse for qualification. For questions regarding the eligibility of certain investments, please contact DHCD at ezone@dhcd.virginia.gov.

QUALIFIED	UNQUALIFIED
Clearing	Sewer tie-in fees
Concrete excavation or earthwork	Utilities
Construction overhead	Work extending beyond property line
Paving	Installation/removal of septic systems

QUALIFIED	UNQUALIFIED
Clean up	Utilities
General Labor	Travel
Hoisting	Professional Fees
Mobilization	Signage
Project Management	Rent/Income Loss
Project Superintendents	Off-site Space Rentals
Rental Equipment	

SITE WORK AND GENERAL CONDITIONS

"Site work" and "general conditions" are common schedule items; however, not all items typically included under these categories constitute QRPIs. Often, unqualified items are inappropriately lumped into "site work" or "general conditions" and therefore, it is always best to break down and list all work included under the "site work" and "general conditions" categories.

CONDITIONAL ITEMS

The following items qualify as real property investments (i.e. their corresponding dollar amount can be included in the investment total) only if the described conditions are met.

Awning/canopy	Must be structurally part of building/roof to qualify. Awnings or canopies that are fabric or non-structural do NOT constitute a real property investment. A photo of the awning must be submitted/uploaded with application.
Change orders	Needs to be broken down into more specific categories, such as "additional flooring work" in order to ensure that each item is a qualified real property investment.
Plumbing/piping	Can only include work that is structurally within the building/facility, not what runs from the building to the public utilities.
Kitchens	The improvements must be structurally part of the building (such as hood or walk-in freezer that is taxed as real property and not business personal property). Kitchen appliances and furniture are ineligible.

Required Application Materials

EZ APPLICATION SYSTEM

Hard copies are no longer accepted. Applicants must submit their application and all required supporting documentation electronically through the EZ Online Submission System.

- Commonwealth of Virginia Form W-9 (federal IRS form **not** accepted)
- Local Zone Administrator (LZA) Review Form
- Applicant Declaration Form
- Final Placed-in-Service Document
- CPA Attestation Report Form
- Supplemental Forms: (*if applicable)
  - 0 FORM EZ-RPIG Multiple Owner*
  - 0 FORM EZ-RPIG Tenant-Owner Consent*
  - 0 FORM EZ-RPIG Tenant Coordination*
  - 0 FORM EZ-RPIG Mixed-Use*

Documents that require a signature must either be a wet signature that has been scanned or a digital signature with an authorization code/envelope number.

Applicants should print and retain the application for their records. To print the application before submitting, the user may use the "print" function in their browser. For example, on Chrome, click the three vertical dots on the right-top corner, then select "print" from the pop-up menu. Applicants can also print after submission. Details and instructions regarding each of the listed application materials are included in the following sections. All supplemental forms are available on the EZ Online Submission System site at: dmz1.dhcd.virginia.gov/EZonePortal/Default.aspx

SUBMISSION DEADLINE

All application materials are due by 11:59 p.m. on April 1, 2027.

PLACED-IN-SERVICE DOCUMENTATION

All RPIG applications must include an **approved** & **final** placed-in-service document for the qualified real property investments. Acceptable documents:

1. Certificate of Occupancy
2. Final building inspection
3. Licensed third-party inspection report-for projects that do not require any permits

Applicants must apply with the highest form of placed-in-service document required by the locality. If the nature of the project requires a CO, a qualified zone investor **cannot** apply with a final building inspection even if a final building inspection was issued prior to a Certificate of Occupancy. DHCD verifies placed-in-service documentation issued/required for each project with local building code departments.

When submitting the final placed-in-service documentation, please make note of the following:

- The name on the final CO, final building inspection, or licensed third-party inspector's report must match the qualified zone investor's legal name on Part 1, #1 of the Sample Application Page document.
- The physical address on the final placed-in-service documentation must be within an Enterprise Zone and must match the physical address listed on Part 1, #4 of the Sample Application Page document.

- If the name or address on the documentation differs from what is listed on Part 1, #1 & 4 of the Sample Application Page document, the applicant must complete Part II, Box B to explain the differences.
- The date on the placed-in-service document must fall within the 2026 calendar year.
- If no final building inspection or Certificate of Occupancy (CO) is issued, and multiple trade inspections are used as the final placed-in-service documentation, each trade inspection must be dated within the 2026 calendar year.

CERTIFICATE OF OCCUPANCY

The CO must be **final**, meaning it is **not** temporary, conditional, or pending. For information regarding projects that require a Certificate of Occupancy, see Section 116 of the Virginia Uniform Statewide Building Code.

FINAL INSPECTION

When submitting a final building inspection as the placed-in-service documentation, the inspection must be **approved** by the local jurisdiction in which the project was completed and final, meaning the final building inspection is completely passed and there are no associated trades permits still pending. There should be **no** pending items or additional work (however minor they may be) remaining when such a document is submitted.

In some localities, final building inspections are issued prior to the finalization of associated trades inspections (mechanical, electrical, plumbing, etc.). DHCD does not consider a property fully placed-in-service until all building permits are finalized, including trades. In addition, DHCD does NOT accept letters from the locality as adequate final inspection placed-in-service documentation. For information regarding projects that require a final building inspection, see Section 113.8 of the Virginia Uniform Statewide Building Code.

Example: During your inspection, the inspector noticed that the handrails along the stairway were loose and documented that the inspection was approved pending the installation of the new handrails. You ordered new handrails, had them installed, and received another final building inspection that was approved in January 2027. Can you still apply for the 2026 calendar year?

The final inspection wasn't fully approved until 2027, so the zone investor/applicant would need to wait and apply for the 2027 calendar year. This holds true even if the final inspection was originally conducted in 2026. The inspection has to be completely passed with no pending items.

LICENSED THIRD-PARTY INSPECTOR'S REPORT

A licensed third-party inspector's report (performed, signed, and dated within the 2026 calendar year) can be submitted as the placed-in-service document only when a project does not require any permits. The third-party inspector's report must meet the guidelines set forth by the local jurisdiction in which the project was completed. The inspection report should reference the qualified zone investor, the physical address of the Zone Establishment, and shall list the qualified zone investments and the dates in which they were inspected for completion. The property is considered placed-in-service on the date of the third-party inspection, not the date of the report.

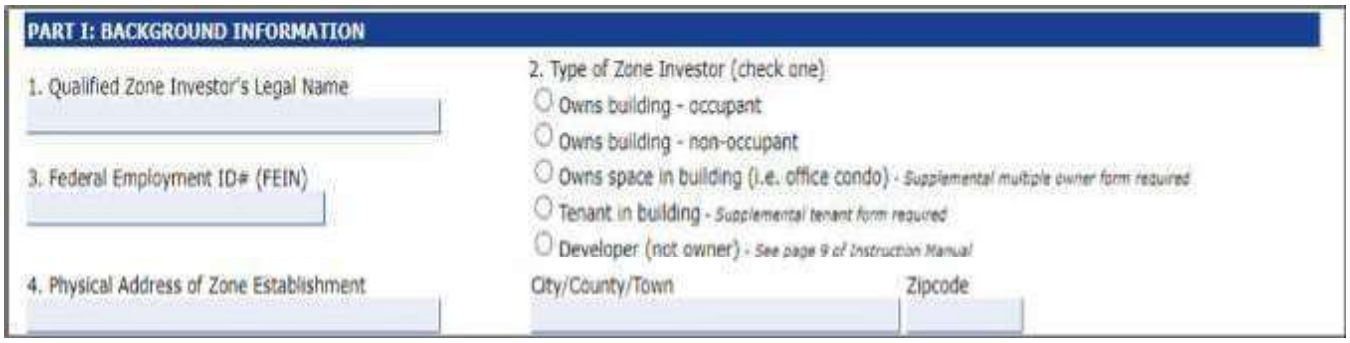
It is the responsibility of the applicant to provide documentation from the locality that no permits were required for the scope of work included in the application. The locality's building

officials must provide a letter on official letterhead that references the physical address of the zone establishment, verifies building or trade permits were not required for the qualified investments, references the qualified real property investments for which the applicant is seeking the grant, and references the minimum acceptable qualifications for third party inspections based on Section 113.7.1 in Code of Virginia.

Based on Section 113.7.1 "Third-Party Inspectors" of the Virginia Uniform Statewide Building Code: "Each building official charged with the enforcement of the USBC shall have a written policy establishing the minimum acceptable qualifications for third-party inspectors. The policy shall include the format and time frame required for submission of reports, any prequalification or preapproval requirements before conducting a third-party inspection and any other requirements and procedures established by the building official."

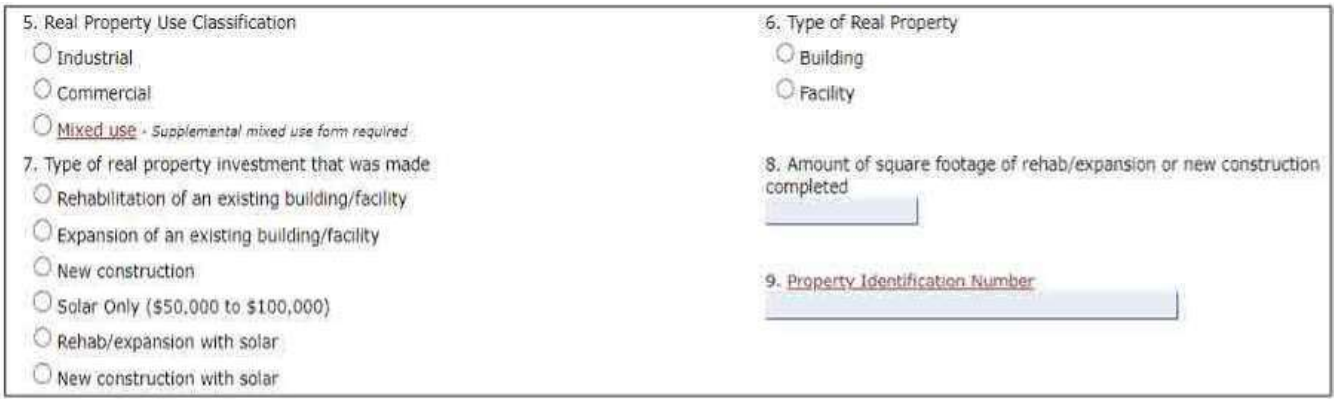
EZ Application Submission System

PART 1 | BACKGROUND INFORMATION



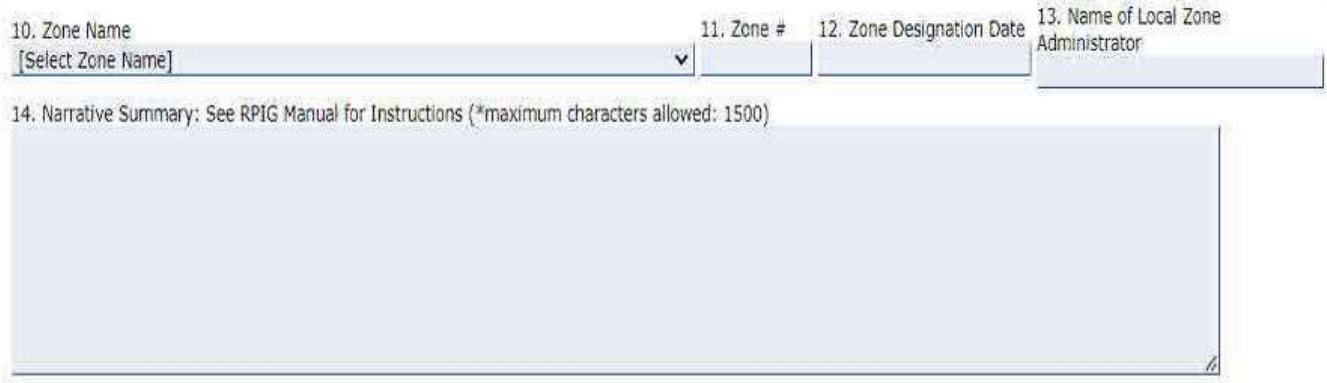
1. **Qualified Zone Investor's Legal Name:** Indicate the applicant's legal name. If the zone investor is a disregarded entity for tax purposes, please utilize the Legal Name and FEIN of the parent/taxable entity, and note the name of the disregarded entity on the COV W-9.
2. **Type of Zone Investor:** A Qualified Zone Investor is the individual or entity that incurred the cost of the qualified real property investments. A description of each classification follows.
   - **"Owns building - Occupant"**: Owns and occupies the entire building/facility
   - **"Owns building - Non-occupant"**: Owns the entire building or facility but does not occupy the building.
   - **"Owns space in building"**: Qualified Zone Investor only owns a portion of the building. For example, owning a medical office condominium that spans one of eight floors of a building. This type of Qualified Zone Investor is required to submit the supplemental Form EZ-RPIG Multiple Owner and coordinate qualification with all other owners within the same building/facility.
   - **"Tenant in building"**: Qualified Zone Investor occupies leased space in a building or facility. This type of Qualified Zone Investor is required to submit the supplemental Form EZ-RPIG Tenant-Owner Consent and may be required to coordinate qualification with other tenants using Form EZ- RPIG Tenant Coordination.
   - **"Developer"**: Entity or individual that capitalizes or expenses the qualified real property investment but does not currently own or occupy the building.

3. FEIN/SSN: The FEIN/SSN provided with the application is used to track the qualified investors and to disburse all grant funds.
    - **"FEIN":** If the applicant is an S Corp, LLC, Partnership, Corporation, Sole Proprietorship, or other business entity, indicate the applicant's Federal Employment Identification Number (FEIN).
    - ***If the zone investor is a disregarded entity for tax purposes, please utilize the Legal Name and FEIN of the parent/taxable entity, and note the name of the disregarded entity on the W-9.**
    - **"SSN"**: If the applicant is an individual, indicate the applicant's Social Security Number (SSN).
4. **Physical Address of Building:** Indicate the physical location of the applicant's property.



5. **Real Property Use Classification**: Indicate the use classification of the real property as industrial, commercial, or mixed-use.
    - If the building/facility is mixed-use, the supplemental form EZ-RPIG Mixed-Use must be submitted.
6. **Type of Real Property**: Indicate whether the real property investments were made to a building or facility.
    - See Eligible Properties for more information on how to distinguish between a building and a facility.
    - If the building for which an RPIG is being sought is part of a complex of buildings, it must be classified as a "facility" per the definition in the Program Regulations.
7. **Type of Real Property Investment**: Indicate whether the investment was for new construction or the rehabilitation or expansion of an existing building/facility.
    - To determine whether or not the investment is classified as rehabilitation, expansion, or new construction, refer to the definitions in the Glossary at the end of the manual.
8. **Amount of square footage of rehab/expansion or new construction completed**: Provide an estimate of the total square footage that was part of the project for which you are applying for this grant.
9. **Property Identification Number**: List the property identification number(s) associated with the physical address listed in Part I, Box 4.
    - These unique identification numbers vary by locality and are also called tax id numbers, tax parcel number, property tax numbers, etc. The Local Zone Administrator will provide the proper number to use for their zone. LZA Contact information is availablE: dmz1.dhcd.virginia.gov/EZoneportal/ZoneAdminInfo.aspx

- A building or facility can span multiple parcels. Additionally, a building with multiple owners or tenants, or even with multiple street fronts, may have multiple property identification numbers. In such cases, all property identification numbers corresponding to the building/facility must be identified in this space.

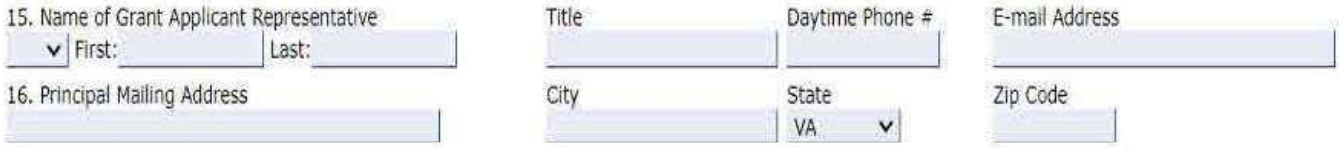


10 - 12. **Zone Name and Zone #, Zone Designation Date**: Indicate the Zone in which the property is located.

- Contact the Local Zone Administrator to verify which Zone the property is located in (Box 10). Once the zone name is entered online, the corresponding zone number field (Box 11) and zone designation date (Box 12) will automatically populate.

13. **Name of Local Zone Administrator**: State the name of the Local Zone Administrator (LZA). LZA contact information is available at: dmz1.dhcd.virginia.gov/EZoneportal/ZoneAdminInfo.aspx

14. **Narrative Summary:** Provide a summary paragraph explaining the building use and building owner, a summary of the work completed, and any other helpful background information on the project (limited to 1,500 characters)



15-16. The Qualified Zone Investor must provide contact information for the grant applicant representative. The email address of the applicant representative is required as applicants will receive email confirmations and updates throughout the application submission and review process.

PART II | PLACED-IN-SERVICE DOCUMENTATION



A. **Type of Placed-in-Service Documentation:** Check the box that corresponds with the type of Placed-in- Service documentation that you are submitting with your application.

B. **Explanation of Placed-in-Service Documentation**: Provide clarification on any differences between the name appearing as the qualified zone investor's legal name and physical address of the Zone Property, and the name and address listed on the final Placed-in-Service Documentation.

- 0 If the documentation refers to multiple-addresses, a thorough explanation should be provided in this section. All inspections/certificates of occupancy must be dated within the calendar year.
- 0 If there are multiple inspections/certificates of occupancy, an explanation of the scope of work included in each inspection/certificate can be included if not shown on the documentation. If the property was placed into service on more than one date in the calendar year, please enter the earlier date in Part IV, Box 1, but note all other dates in the explanation in Part II, Box B.
- 0 The text box is limited to 1,000 characters. Applicants may upload additional information as an attachment in Part VIII of the online application.

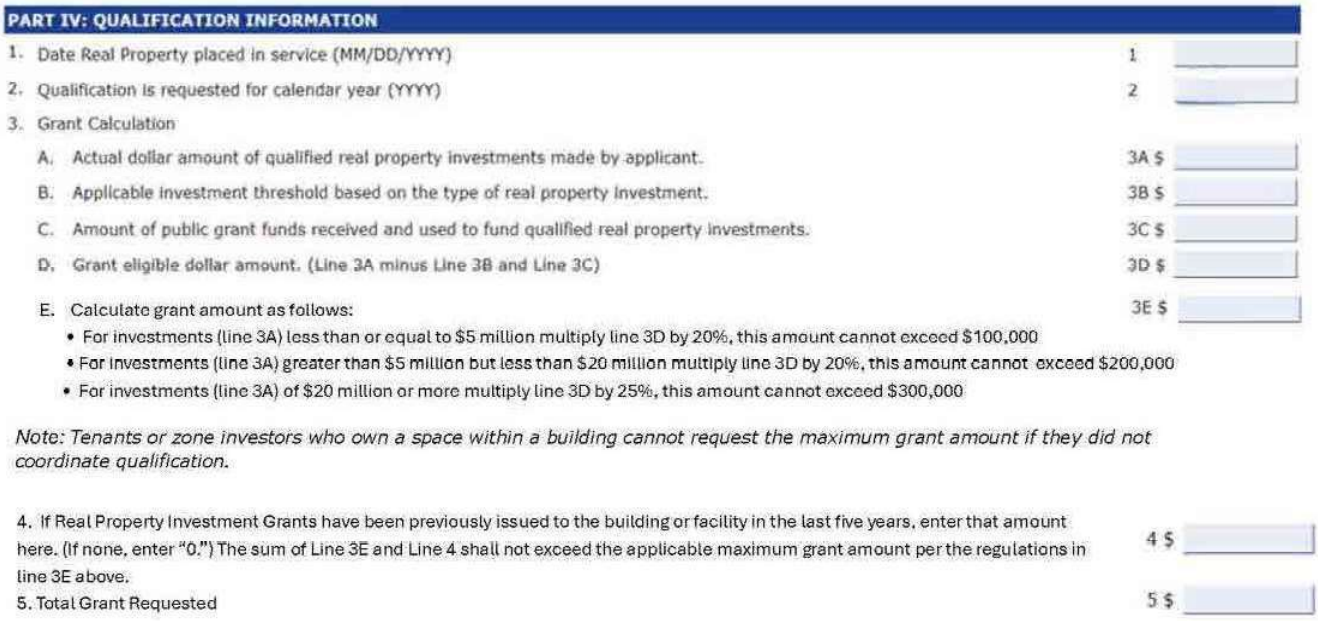
PART III | ITEMIZED LIST OF QUALIFIED REAL PROPERTY INVESTMENTS



This section has two columns; one column is for the type of qualified real property investment (ex. roofing, electrical, HVAC) and the second column for the amount for that specific investment. For projects that contain more than 20 qualified real property investments, list the sum of the remaining dollar amount in line 20 and label the category as "see attachment." Upload a list of the remaining items and corresponding dollar amounts in Part VIII of the online application.

- Labor and material costs associated with a particular real property investment such as "painting" or "demolition" should be combined and listed as one category. For each item listed on the schedule, DHCD assumes that the labor, materials, and equipment necessary to perform such qualified real property investments are included in the total cost of each investment.
- Costs on the schedule should represent the actual dollar amount of investment. Investment amounts reflected in the schedule should NOT be rounded.
- The qualified zone investor may only include QRPIs that correspond with the final placed in service documentation.

PART IV | QUALIFICATION INFORMATION



PART IV: QUALIFICATION INFORMATION

1. Date Real Property placed in service (MM/DD/YYYY) — 1
2. Qualification is requested for calendar year (YYYY) — 2
3. Grant Calculation
   - A. Actual dollar amount of qualified real property investments made by applicant. — 3A $
   - B. Applicable investment threshold based on the type of real property investment. — 3B $
   - C. Amount of public grant funds received and used to fund qualified real property investments. — 3C $
   - D. Grant eligible dollar amount. (Line 3A minus Line 3B and Line 3C) — 3D $
   - E. Calculate grant amount as follows: — 3E $
     - For investments (line 3A) less than or equal to $5 million multiply line 3D by 20%, this amount cannot exceed $100,000
     - For investments (line 3A) greater than $5 million but less than $20 million multiply line 3D by 20%, this amount cannot exceed $200,000
     - For investments (line 3A) of $20 million or more multiply line 3D by 25%, this amount cannot exceed $300,000

Note: Tenants or zone investors who own a space within a building cannot request the maximum grant amount if they did not coordinate qualification.

4. If Real Property Investment Grants have been previously issued to the building or facility in the last five years, enter that amount here. (If none, enter "0.") The sum of Line 3E and Line 4 shall not exceed the applicable maximum grant amount per the regulations in line 3E above. — 4 $
5. Total Grant Requested — 5 $

In Part IV the qualified zone investor fills in information regarding the dollar amount of Qualified Real Property Investments and the resulting grant request based on the level of investment. For qualified zone investors applying as owners of a space within a building/ facility, such applicants can only request the full, applicable grant amount if they coordinated qualification. See the Supplemental Forms section for more details.

PART V | CPA CONTACT INFORMATION

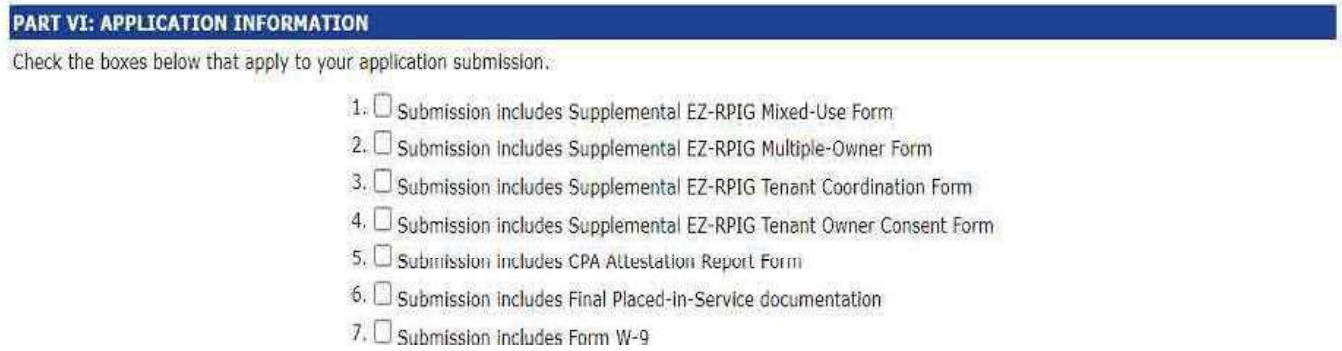


PART V: CPA INFORMATION

Name of Certified Public Accountant | VA License # | Daytime Phone # | E-mail Address

Accounting Firm | Address | City | State (VA) | Zip Code

The qualified zone investor must provide contact information for the CPA who prepared the Attestation Report in this section.



PART VI: APPLICATION INFORMATION

Check the boxes below that apply to your application submission.

1. ☐ Submission includes Supplemental EZ-RPIG Mixed-Use Form
2. ☐ Submission includes Supplemental EZ-RPIG Multiple-Owner Form
3. ☐ Submission includes Supplemental EZ-RPIG Tenant Coordination Form
4. ☐ Submission includes Supplemental EZ-RPIG Tenant Owner Consent Form
5. ☐ Submission includes CPA Attestation Report Form
6. ☐ Submission includes Final Placed-in-Service documentation
7. ☐ Submission includes Form W-9

PART VI | APPLICATION INFORMATION

This portion of the online submittal notifies DHCD that required and supplemental forms should accompany the online submission. Check the boxes that are applicable to check that the documents apply to your submission and have been uploaded in Part VIII.

PART VII | COMMENTS



The applicant may enter any additional information or notes in this section.

PART VIII | UPLOAD DOCUMENTS



All required and supplemental documents must be uploaded in this section.

- Password protected documents will **not** be accepted.
- All documents must be uploaded separately. One PDF with all the documents will **not** be accepted.

The final field in this section requires the applicant to check the Commonwealth of Virginia W-9 to ensure that the correct FEIN was used and the Remittance Address field is the correct address to which the Department will send the company's grant check. The final step is to submit the application by clicking the "Submit" button.

SUPPLEMENTAL FORMS | FORM EZ-RPIG MULITPLE OWNER

For a Qualified Zone Investor that owns a space within a building, the supplemental form EZ-RPIG Multiple-Owner must be uploaded in Part VIII of the portal submission system. This form documents the amount of space within the building or facility owned by the applicant and enables the applicant to coordinate the qualification process with the other owners of the building/facility. Each owner within the building/facility must sign the coordination statement on Page 2 of the form.

In the case where there has been no coordination with the other owners, DHCD will implement its proration procedures based on the usable floor space owned by the Qualified Zone Investor. The maximum grant amount available is determined by whichever is less of the following scenarios:

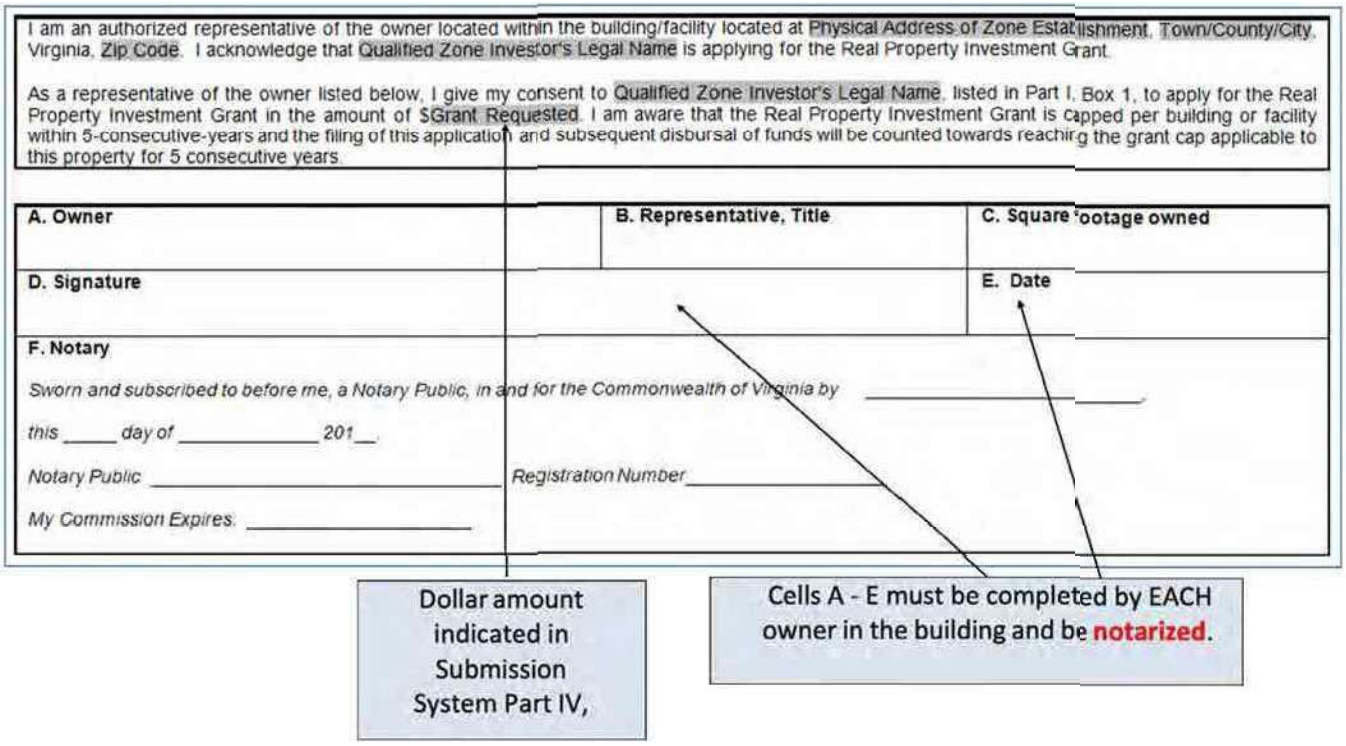
- The square foot percentage owned by the Qualified Zone Investor (as documented in Part II of the supplemental form) multiplied by the applicable investment cap, $100,000, $200,000, or $300,000
- For qualified real property investments less than or equal to $20 million, 20 percent of the Qualified Zone Investor's grant eligible investment, capped at the applicable limit or

the cumulative level of investment; or

- For qualified real property investments greater than $20 million, 25 percent of the Qualified Zone Investor's grant eligible investment, capped at the applicable limit or the cumulative level of investment; or
- The square foot percentage owned by the Qualified Zone Investor (as documented in Part II of the supplemental form) multiplied by the applicable investment cap, $100,000, $200,000, or $300,000.

The purpose of coordination is to ensure that no more than the applicable grant cap is requested within a 5 consecutive year period for the building or facility. This especially holds true in instances where there are multiple applicants from the same building that simultaneously apply for the RPIG for work completed in the same calendar year.

Irrespective of each applicant's level of investment, coordination entails that the Zone Investors agree upon the amount each owner will request such that no more than the applicable grant cap is requested within a 5-consecutive-year period.



I am an authorized representative of the owner located within the building/facility located at Physical Address of Zone Establishment, Town/County/City, Virginia, Zip Code. I acknowledge that Qualified Zone Investor's Legal Name is applying for the Real Property Investment Grant.

As a representative of the owner listed below, I give my consent to Qualified Zone Investor's Legal Name, listed in Part I, Box 1, to apply for the Real Property Investment Grant in the amount of $Grant Requested. I am aware that the Real Property Investment Grant is capped per building or facility within 5-consecutive-years and the filing of this application and subsequent disbursal of funds will be counted towards reaching the grant cap applicable to this property for 5 consecutive years.

A. Owner	B. Representative, Title	C. Square Footage owned
D. Signature		E. Date

F. Notary

Sworn and subscribed to before me, a Notary Public, in and for the Commonwealth of Virginia by _____

this _____ *day of* _____ *201*__.

Notary Public _____ *Registration Number* _____

My Commission Expires: _____

SUPPLEMENTAL FORMS | FORM EZ-RPIG TENANT-OWNER CONSENT

Supplemental Form EZ-RPIG Tenant-Owner Consent must be completed and submitted in Part VIII of the RPIG page of the Portal submission system by all tenants in buildings applying for RPIG funds, regardless of whether the owner of the building requires further tenant coordination or not.

For tenants applying for the grant, the tenant is required to:

1. Disclose the total number of square feet in the building in addition to the amount of space they are leasing from the owner.

PART III: QUALIFICATION INFORMATION

1. **Square footage leased by Zone Investor** *As indicated on valid lease agreement.*	1. _____ square feet
2. **Total useable floor space in building**	2. _____ square feet
3. **Total useable floor space occupied by zone investor** *Divide line 1 by line 2 and multiply by 100*	3. _____ %

2. Confirm the owner's consent for allowing the tenant to submit an application for the Real Property Investment Grant.

PART IV: TYPE OF CONSENT (CHECK ONLY ONE BOX BELOW)

A. Sole Tenant

☐ My consent **is not** contingent on coordination as this applicant is the sole tenant in this building.

B. Multiple Tenants:

☐ My consent **is not** contingent upon the applicant coordinating with the building's other tenants.

☐ My consent **is** contingent upon the applicant coordinating with the building's other tenants. If so, the **EZ-RPIG Tenant Coordination Form** must also accompany the hard-copy application submitted to DHCD, with signatures from each additional tenant in the building/facility.

3. Obtain written consent from the owner of the property.

PART V: CONSENT OF OWNER

_____, owner of the property located at Part I, Box 2 above, grants permission to the tenant referenced in Part I, Box 1 to apply for the Real Property Investment Grant in the amount of $ _____, as indicated on Form EZ-RPIG, Part IV, Box 3D.

_____ _____ _____

Name of Owner | Signature | Date

Sworn and subscribed to before me, a Notary Public, in and for the Commonwealth of Virginia by _____, *this* ____ *day of* _____, *202*__.

_____ _____ *My Commission Expires:* _____

Notary Public | *Registration Number*

4. Sign the declaration.

GRANT APPLICANT REPRESENTATIVE: I, the undersigned representative of the qualified zone investor, declare that the information has been prepared and examined by me and is, to the best of my knowledge, accurate. I also understand that I will disclose the lease or other applicable real estate documents to the CPA performing the agreed upon procedures established by DHCD and to DHCD at their request.

Grant Applicant Representative	Title	Daytime Phone #	E-mail Address
		(_____) _____	
Signature			**Date (MM/DD/YYYY)**

5. Upload the document in Part VIII of the RPIG page of the EZ Submission System.

FORM EZ-RPIG TENANT COORDINATION

Form EZ-RPIG Tenant Coordination is required when tenants applying for RPIG funds receive owner consent contingent upon the notification and coordination of all other tenants in the building. For tenants applying for the grant, the tenant is required to:

1. Disclose the total number of square feet in the building in addition to the amount of space they are leasing from the owner.

PART II: QUALIFICATION INFORMATION

1. Square footage leased by zone investor (for which grant is being sought) • *Square footage as indicated on valid lease agreement*	1. _____ square feet
2. Total useable floor space in building • *For multi-tenanted buildings, this amount should equal the sum of the values entered Line 1(above) and in Part III Cell C of the EZ-RPIG Tenant Coordination Form.*	2. _____ square feet
3. Total useable floor space occupied by zone investor • Divide line 1 by line 2 and multiply by 100.	3. _____ %

2. Coordinate with all other tenants in the building/facility, by having them fill out the Tenant Coordination Form which must be notarized.

PART III: COORDINATION

I am an authorized representative of the tenant located within the building/facility located at Physical Address of Zone Establishment, Town/County/City, Virginia, Zip Code. I acknowledge that Qualified Zone Investor's Legal Name is applying for the Real Property Investment Grant.

As a representative of the owner listed below, I give my consent to Qualified Zone Investor's Legal Name, listed in Part I, Box 1, to apply for the Real Property Investment Grant in the amount of $Grant Requested. I am aware that the Real Property Investment Grant is capped per building or facility within 5-consecutive-years and the filing of this application and subsequent disbursal of funds will be counted towards reaching the grant cap applicable to this property for 5 consecutive years.

A. Tenant	B. Representative, Title	C. Square footage leased
D. Signature		E. Date

F. Notary

Sworn and subscribed to before me, a Notary Public, in and for the Commonwealth of Virginia by _____

this _____ *day of* _____ *202*__.

Notary Public _____ *Registration Number* _____

My Commission Expires: _____

3. Sign the declaration.

GRANT APPLICANT REPRESENTATIVE: I, the undersigned representative of the qualified zone investor, declare that the information has been prepared and examined by me and is, to the best of my knowledge, accurate. I also understand that I will disclose the lease or other applicable real estate documents to the CPA performing the agreed upon procedures established by DHCD and to DHCD at their request.

Grant Applicant Representative	Title	Daytime Phone #	E-mail Address
		( )	
Signature			**Date (MM/DD/YYYY)**

4. Upload the document in Part VIII of the RPIG page of the EZ Submission System.
5. If the owner requires coordination (as indicated on the Tenant-Owner Consent Form) with other tenants and no coordination is provided, DHCD will apply its proration formula to the grant award as illustrated in the example below:

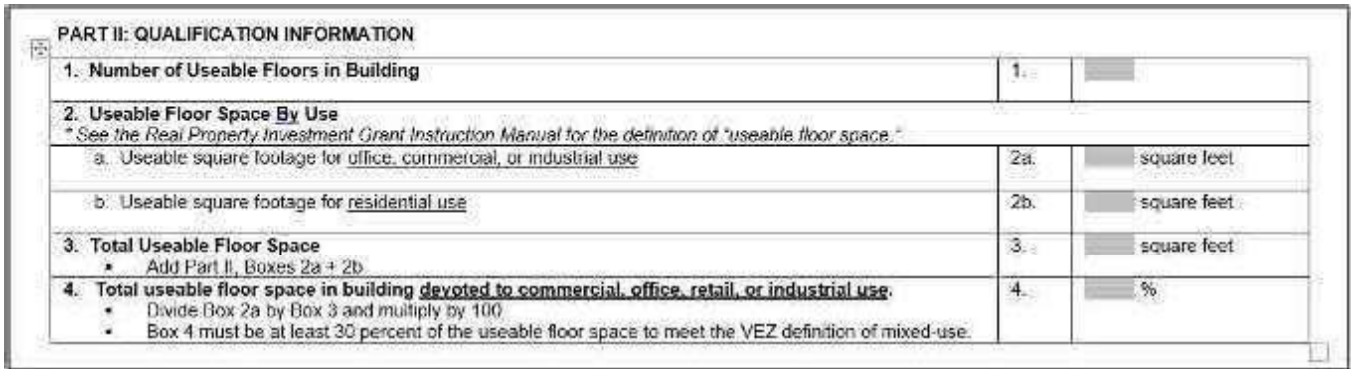
Example: A commercial building is occupied by two tenants. Each makes improvements to the portion for which they hold a valid lease but the two tenants do not coordinate their applications for the RPIG. The total usable floor space in the building is 100,000 square feet. Each of these tenants occupies one half of the building (50% each). Tenant A spent $500,000 in qualified real property investments; Tenant B spent $200,000 in QRPIs.

- Since the cumulative investment in 2026 (between tenants A and B) is less than $5 million, the maximum grant amount for the entire building is capped at $100,000. Because Investors A and B each occupy 50% of the building, the grant cap translates into a maximum of grant award of $50,000 per tenant. While 20% of $400,000 is $80,000, Investor A would only be eligible to receive a maximum RPIG of $50,000. Investor B, however, would receive the full $20,000 (20% of $100,000) because he is still under his individual cap of $50,000. If the two investors had coordinated, both could have received their full request: $80,000 for Investor A and $20,000 for Investor B.

FORM EZ-RPIG MIXED-USE

The supplemental Form EZ-RPIG Mixed-Use must be uploaded in Part VIII of the RPIG page of the Portal submission system for Qualified Zone Investors applying for qualified investments to a mixed-use building. Mixed-use is defined in Section 59.1-548A of the Code of Virginia as "a building incorporating residential uses in which a minimum of 30 percent of the usable floor space will be devoted to commercial, office, or industrial use." For a property that contains any residential or non-commercial uses, the applicant is required to:

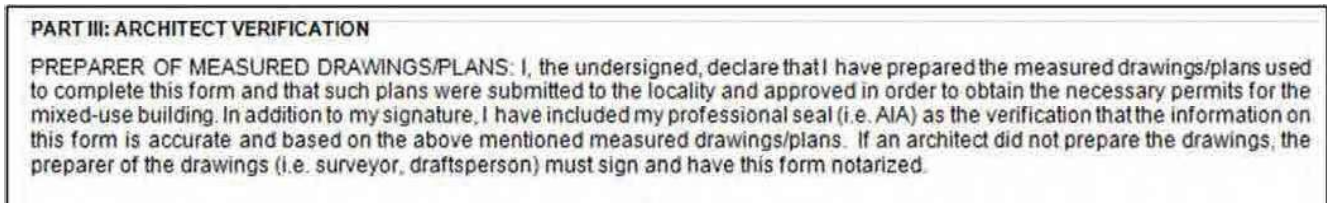
1. Obtain a declaration from the preparer of the measure drawings or plans for the work done to the referenced building. The preparer of these plans may be the licensed architect, surveyor, or drafts person (or representative of the architect, surveyor, etc.) that created the approved plans that were submitted to the locality to obtain the necessary permits for the real property investment. This individual will supply the usable floor space calculations as indicated on the measured drawings/plans.



PART II: QUALIFICATION INFORMATION

1. Number of Useable Floors in Building	1.	
2. Useable Floor Space By Use *See the Real Property Investment Grant Instruction Manual for the definition of "useable floor space."*		
a. Useable square footage for office, commercial, or industrial use	2a.	square feet
b. Useable square footage for residential use	2b.	square feet
3. Total Useable Floor Space • Add Part II, Boxes 2a + 2b	3.	square feet
4. Total useable floor space in building devoted to commercial, office, retail, or industrial use. • Divide Box 2a by Box 3 and multiply by 100 • Box 4 must be at least 30 percent of the useable floor space to meet the VEZ definition of mixed-use.	4.	%

2. Obtain an official American Institute of Architects seal on the form. If the preparer of the plans is a surveyor, draftsperson, contractor, etc., that individual must have his/her signature notarized on the form. If the preparer cannot be contacted, the applicant may obtain third party verification by a licensed, independent third party as described below.



PART III: ARCHITECT VERIFICATION

PREPARER OF MEASURED DRAWINGS/PLANS: I, the undersigned, declare that I have prepared the measured drawings/plans used to complete this form and that such plans were submitted to the locality and approved in order to obtain the necessary permits for the mixed-use building. In addition to my signature, I have included my professional seal (i.e. AIA) as the verification that the information on this form is accurate and based on the above mentioned measured drawings/plans. If an architect did not prepare the drawings, the preparer of the drawings (i.e. surveyor, draftsperson) must sign and have this form notarized.

3. Third Party Verification: If no plans were required by the local jurisdiction to obtain the necessary building permits for the project or if the applicant (or a member of the applicant's firm) prepared his/her own drawings, EZ-RPIG Mixed-Use, Part II can be completed by the applicant and verified by a licensed, independent third-party. The licensed third-party will need to provide his/her signature on the form, verifying the accuracy of the information provided in Part II.
    - A letter from the local jurisdiction's Building Code Office verifying that no plans or drawings were required must be included with the application materials. A licensed third-party can be an architect (AIA seal required), surveyor, or draftsperson (notarization required).
4. Sign the declaration.

GRANT APPLICANT REPRESENTATIVE: I, the undersigned representative of the qualified zone investor, declare that the information has been prepared and examined by me and is, to the best of my knowledge, accurate. I also understand that I will disclose the lease or other applicable real estate documents to the CPA performing the agreed upon procedures established by DHCD and to DHCD at their request.

Grant Applicant Representative	Title	Daytime Phone #	E-mail Address
		( )	
Signature			**Date (MM/DD/YYYY)**

5. Upload the document in Part VIII of the RPIG page of the Portal submission system.

COMMONWEALTH OF VIRGINIA W-9

A completed Commonwealth of Virginia W-9 form must be submitted with each grant application in Part VIII of the RPIG page of the Portal Submission System. The FEIN or SSN listed in PART I must match the FEIN or SSN on the W-9. A blank W-9 form can be found here: doa.virginia.gov/forms/CVG/W9_COVSubstitute.pdf

DISREGARDED ENTITIES & SUBSIDIARIES

The applicant should be the company or individual that is capitalizing on the investment. The applicant cannot be a disregarded entity. Often, disregarded entities have a parent company and in that case, the parent company; should be the applicant. In other cases of a disregarded entity the individual owner is the applicant and should apply in their own name with their social security number. If the zone investor is a disregarded entity for tax purposes, please utilize the Legal Name and FEIN/TIN of the parent/taxable entity on Form EZ-RPIG, and fill out the Commonwealth of Virginia W-9 Form accordingly.

CPA ATTESTATION REPORT

As required by statute, a CPA must perform an attestation following the Agreed-Upon Procedures outlined by DHCD with every RPIG application. There are no exemptions from the attestation for RPIG applications. The CPA must be independent of the Qualified Zone Investor and licensed by the Commonwealth of Virginia. The CPA will test the documentation and calculations used to prepare the Real Property Investment Grant application and will report on these procedures and their findings in the Attestation Report. This report is to be signed by the CPA and uploaded into Part VIII of the RPIG page of the portal submission system by April 1, 2027.

Contact your CPA to find out if they can fulfill the attestation requirements for the Real Property Investment Grant application. All CPAs should know if they are able to perform agreed upon procedures. These procedures and additional information is available on the EZ Online Submission System site at:
dmz1.dhcd.virginia.gov/EZonePortal/cpas.aspx

Can your CPA prepare the application and accompanying materials and attest? Professional standards (AICPA) provide that a CPA can offer assistance provided the CPA does not assume management responsibilities, such as making management decisions or performing management functions. The decision to follow any advice provided remains with management of the entity.

TAXABILITY OF GRANTS

Under IRS regulations, grant awards may be considered taxable income. A 1099-G will be issued to all grantees for the EZ awards received. For tax-related questions, please contact your tax professional for guidance. If a grant applicant has any type of outstanding liability to the State (such as an outstanding tax liability), the awarded grant amount will be reduced by the dollar amount of the liability. DHCD does not have records of potential liabilities as this process is handled outside the agency. If you receive a grant award that is less than the amount noted in the qualification letter, please call the Department of Accounts at (804) 371-8383.

RECORD KEEPING REQUIREMENTS

DHCD may at any time review an applicant's records related to qualification under this section to assure that information provided in the application process is accurate. Qualified Zone Investors shall maintain all documentation regarding RPIG qualification for a minimum of three years following the receipt of the grant. Real Property Investment Grantees are annually monitored by DHCD at random. Grants that do not have adequate documentation regarding qualified real property investments may be subject to repayment.

Definitions for RPIGs

Agreed upon procedures engagement:
An engagement between an independent Certified Public Accountant licensed by the Commonwealth and the Qualified Zone Investor seeking to qualify for Enterprise Zone incentive grants whereby the independent Certified Public Accountant, using procedures specified by the Department, will test and report on the assertion of the Qualified Zone Investor as to their qualification to receive the Enterprise Zone incentive pursuant to 59.1-549 of the Code of Virginia.

Building:
Any construction meeting the common ordinarily accepted meaning of the term (building, a usually roofed and walled structure built for permanent use) where 1) areas separated by interior floors or other horizontal assemblies and 2) areas separated by fire walls or vertical assemblies shall not be construed to constitute separate buildings, irrespective of having separate addresses, ownership or tax assessment configurations, unless there is a property line contiguous with the fire wall or vertical assembly.

Capital lease:
A lease that meets one or more of the following criteria and as such is classified as a purchase by the lessee: the lease term is greater than 75 percent of the property's estimated economic life; the lease contains an option to purchase the property for less than fair market value; ownership of the property is transferred to the lessee at the end of the lease term; or the present value of the lease payments exceed 90 percent of the fair market value of the property.

Common control:
Those firms as defined by Internal Revenue Code § 52(b).

Expansion:
An increase in square footage or the footprint of an existing nonresidential building via a shared wall, or enlargement of an existing room or floor plan. Pursuant to Real Property Investment Grants this includes mixed-use buildings.

Facility:
A complex of buildings, co-located at a single physical location within an Enterprise Zone, all of which are necessary to facilitate the conduct of the same trade or business. This definition applies to new construction, as well as to the rehabilitation and expansion of existing structures.

Independent Certified Public Accountant:
A public accountant certified and licensed by the Commonwealth of Virginia who is not an employee of the business firm seeking to qualify for state tax incentives and grants under this program.

Local Zone Administrator:
The chief executive of the city or county, in which an enterprise zone is located, or his or her designee. Pursuant to Enterprise Zone designations made prior to July 1, 2005, this shall include towns.

Mixed-use:
A building incorporating residential uses in which a minimum of 30 percent of the usable floor space will be devoted to commercial, office or industrial use. Buildings where less than 30 percent of the usable floor space is devoted to commercial, office or industrial use shall be considered primarily residential in nature and shall not be eligible for the Real Property Investment Grant under 13 VAC 5-112-330. This definition applies only for the purpose of qualifying for Enterprise Zone incentives.

Mobilization:
Includes preparatory work and operations necessary for the movement of heavy equipment and supplies (construction supplies NOT office supplies) to the project site, necessary for work on the project.

New construction:
A single, nonresidential facility built on previously undeveloped land or a nonresidential

structure built on the site/parcel of a previously razed structure with no remnants of the prior structure or physical connection to existing structures or outbuildings on the property. Pursuant to Real Property Investment Grants this shall include mixed-use buildings.

Placed-in-service:
The final Certificate of Occupancy has been issued or the final building inspection has been approved by the local jurisdiction for real property improvements or real property investments, or in cases where a project does not require permits, the licensed third-party inspector's report indicating that the project is complete.

Qualified real property investment:
The amount expended for improvements to rehabilitate, expand, or construct depreciable real property, regardless of whether it is considered properly chargeable to a capital account or deductible as a business expense under federal Treasury Regulations. The improvements must be placed in service during the calendar year within an Enterprise Zone provided that the total amount of such improvements equals or exceeds (i) $100,000 with respect to a single building or a facility in the case of rehabilitation or expansion or (ii) $500,000 with respect to a single building or a facility in the case of new construction. Qualified real property investments include expenditures associated with (a) any exterior, interior, structural, mechanical, or electrical improvements necessary to construct, expand or rehabilitate a building for commercial, industrial or mixed use; (b) excavations; (c) grading and paving; (d) installing driveways; and (e) landscaping or land improvements. Qualified real property investments shall include, but not be limited to, costs associated with demolition, carpentry, sheetrock, plaster, painting, ceilings, fixtures, doors, windows, fire suppression systems, roofing, flashing, exterior repair, solar panels, cleaning, and cleanup.

Consistent with the provisions of §13VAC5-112-340, Code of Virginia, beginning on January 1, 2020, the installation of solar panels shall be considered eligible investments for the purposes of the real property investment grants, provided that such solar installation investment is in an amount of at least $50,000 and the grant shall be calculated at a rate of 20 percent of the amount of qualified real property investments in excess of $450,000 in the case of construction of a new building or facility. Grants shall be calculated a rate of 20 percent of the amount of qualified real property investment in excess of $50,000 in the case of the rehabilitation or expansion of an existing building or facility. In the case where the grant is awarded based solely on solar investment, the grant shall be calculated at a rate of 20 percent of the amount of total qualified real property investments made in solar installation. For such properties eligible for real property investment grants made solely on the basis of solar installation investments of at least $50,000 but not more than $100,000, awards shall not exceed $1,000,000 in aggregate in any fiscal year.

Qualified real property investment shall not include: The cost of acquiring any real property or building; other costs including: (i) the cost of furnishings; (ii) any expenditure associated with appraisal, architectural, engineering, surveying, and interior design fees; (iii) loan fees, points, or capitalized interest; (iv) legal, accounting, realtor, sales and marketing, or other professional fees; (v) closing costs, permits, user fees, zoning fees, impact fees, and inspection fees; (vi) bids, insurance, signage, utilities, bonding, copying, rent loss, or temporary facilities incurred during construction; (vii) utility connection or access fees; (viii) outbuildings; (ix) the

cost of any well or septic or sewer system; and (x) roads; the basis of any property: (i) for which a grant under this section was previously provided; (ii) for which a tax credit under § 59.1-280.1 of the Code of Virginia was previously granted; (iii) which was previously placed in service in Virginia by the Qualified Zone Investor, a related party as defined by Internal Revenue Code § 267 (b), or a trade or business under common control as defined by Internal Revenue Code § 52 (b); or (iv) which was previously in service in Virginia and has a basis in the hands of the person acquiring it, determined in whole or in part by reference to the basis of such property in the hands of the person from whom it was acquired or Internal Revenue Code §1014 (a).

Qualified Zone Investor:
An owner, tenant, or developer of real property located within an Enterprise Zone who expands, rehabilitates, or constructs such real property for commercial, industrial or mixed use. In the case of a tenant, the amounts of qualified zone investment specified in this section shall relate to the proportion of the property for which the tenant holds a valid lease. Units of local, state and federal government or political subdivisions shall not be considered Qualified Zone Investors.

Rehabilitation:
The alteration or renovation of all or part of an existing nonresidential building without an increase in square footage. Pursuant to Real Property Investment Grants this shall include mixed-use building.

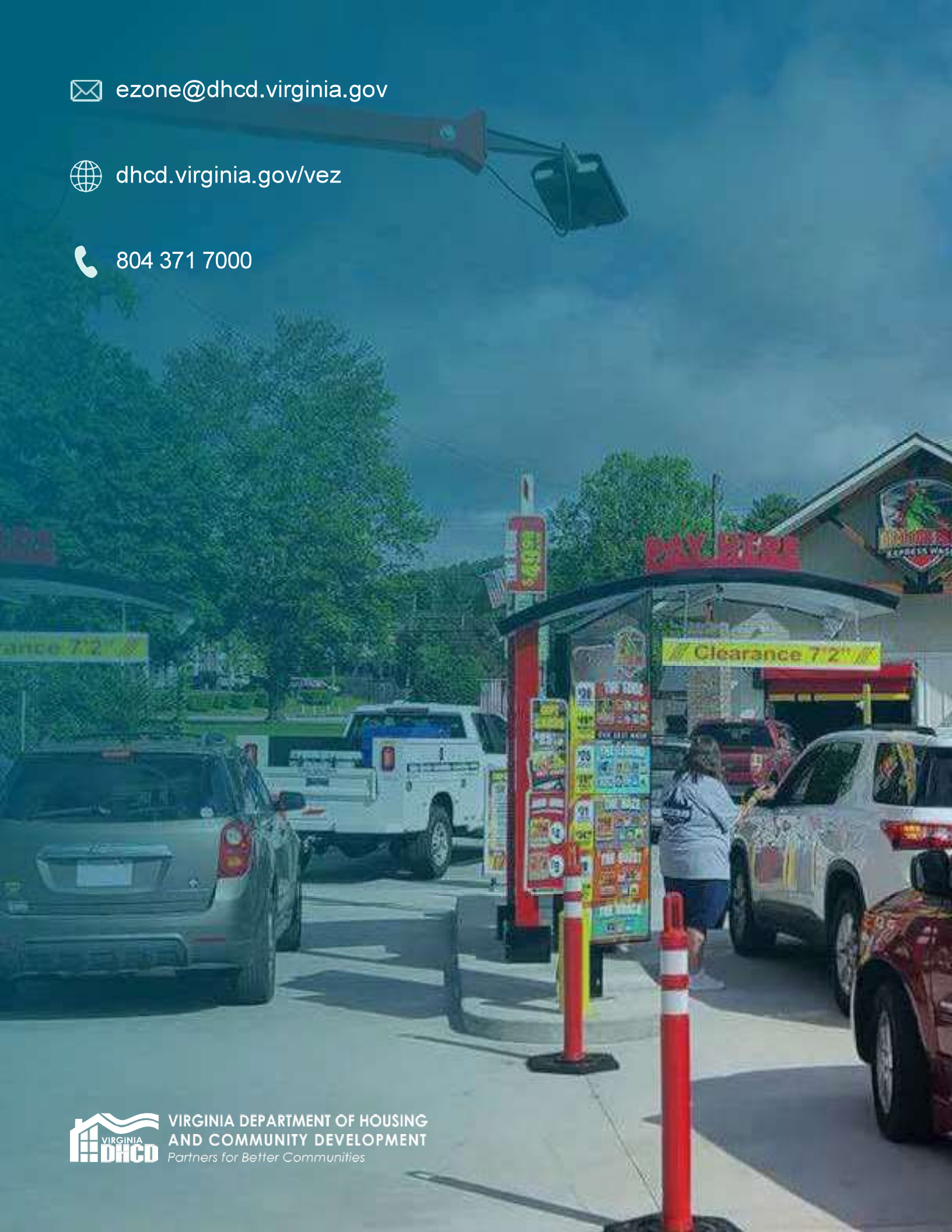
Same trade or business:
The operations of a single company, related companies, or companies under common control.

Usable floor space:
All space in a building finished as appropriate to the use(s) of the building as represented in measured drawings. Unfinished basements, attics, and parking garages would not constitute usable floor space. Finished common areas such as stairwells and elevator shafts should be apportioned based on the majority use (i.e. 51%).

ezone@dhcd.virginia.gov

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804 371 7000

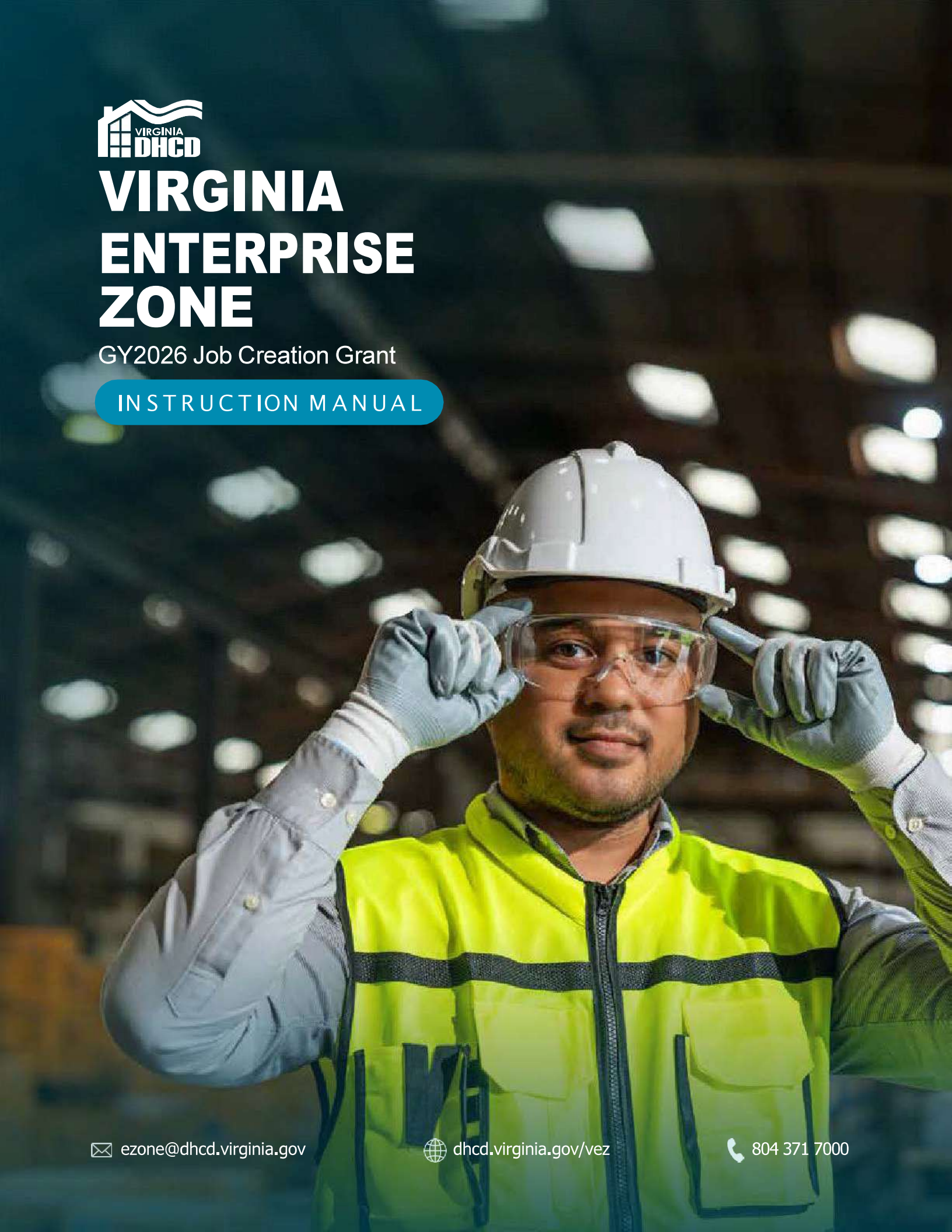


VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities

VIRGINIA ENTERPRISE ZONE

GY2026 Job Creation Grant

INSTRUCTION MANUAL



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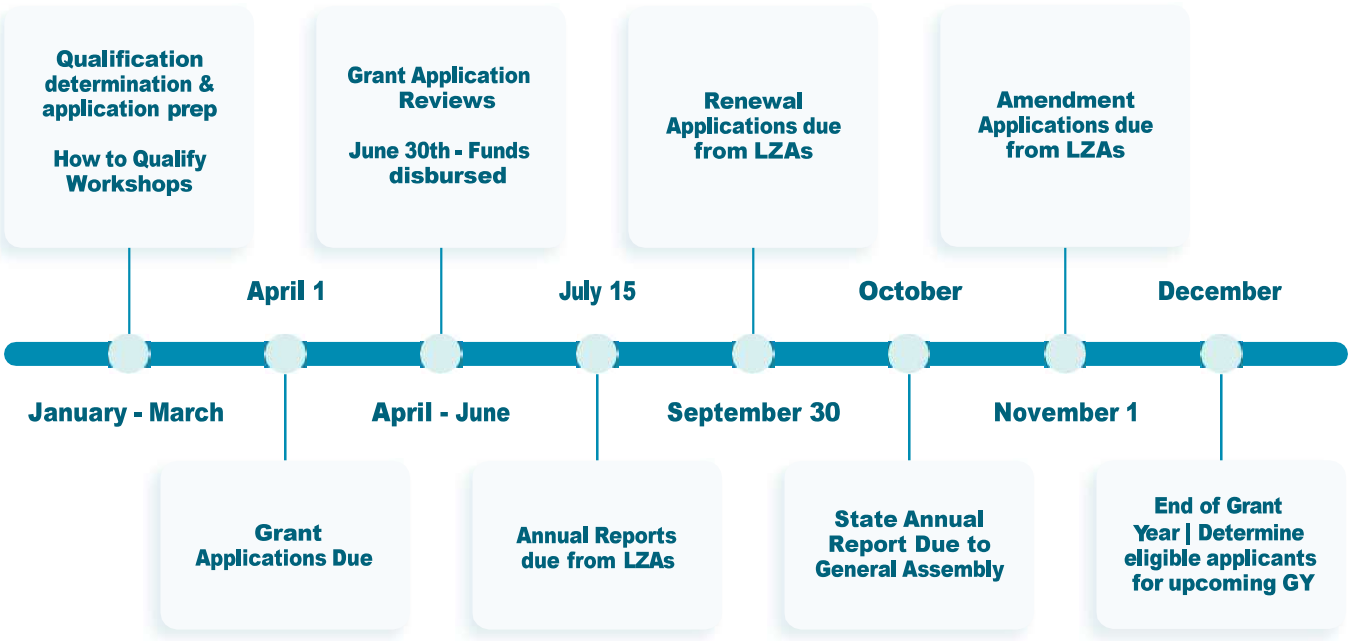
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Grant Qualification Process

The Virginia Enterprise Zone (VEZ) program is a partnership between state and local government that encourages job creation and private investment. VEZ accomplishes this by designating Enterprise Zones throughout the state and providing two grant-based incentives, the Job Creation Grant (JCG) and the Real Property Investment Grant (RPIG), to qualified investors and job creators within those zones, while the locality provides local incentives.

VEZ grants are subject to an annual appropriation by the General Assembly. By statute, the JCGs receive funding priority. After fully funding the JCGs, the remaining funds will be allocated to the RPIGs and the amount paid to each RPIG applicant will be prorated proportionally should grant requests exceed the remaining funds. In past years, the program faced challenges in fully funding RPIG applications, which necessitated the need for prorating RPIGs. Since 2021, however, the program funding and number of grant requests have allowed for the full funding of both JCGs and RPIGs.

Annual Timeline



Grant Year 2026 Timeline

JOBS CREATED	QUALIFICATION DETERMINATION	APPLICATIONS DUE TO DHCD	DHCD REVIEW	FUNDING RELEASED
Calendar Year 2026 Net new employment over base year eligibility threshold	January - March 2027 JCG worksheet, CPA Attestation (if applicable), How to Qualify workshops/ webinars	April 1 2027 Submissions of applications electronically on EZ Application Submission Portal (hard copy NOT accepted)	April - June 2027 DHCD staff reviews apps. Notifies grantees of changes that need to be made for approval	June 2027 Funds disbursed

Application Information

APPLICANT | The entity or business firm that creates the net new permanent full-time positions who is the entity that has those positions on their books or deducts the wages as a business expense under federal Treasury Regulations for tax purposes (units of local, state, or federal government are NOT eligible).

APPLICATION | To be eligible, the business firm must complete and submit all required application components. The application is submitted online through the EZ Application Submission System site:
dmz1.dhcd.virginia.gov/EZonePortal/

- Commonwealth of Virginia W-9 Form
- Local Zone Administrator (LZA) Review Form
- Applicant Declaration Form
- JCG Worksheet (or JCG-HUA/SWaM Worksheet)
- CPA Attestation Report (if applicable)

SAMPLE APPLICATION PAGE | This document is in place of Form EZ-RPIG and Form EZ-JCG/ JCG-HUA/SWaM. It is NOT a required upload.

- Form EZ-RPIG & Form EZ-JCG/JCG-HUA/SWaM are no longer required documents to be uploaded.
- Information from these forms is entered directly into the EZ Application Submission System.
- It is not possible to open the application, fill in some information, and save the application. All information must be filled in and submitted at the same time.
- The Sample Application Page document is provided for zone investors to utilize to gather the necessary information for the application submission BEFORE submission.
- The Sample Application Page document is NOT required for submission and is NOT required to be uploaded.
- All required attachments/uploads, including the COV W-9, the LZA Review, the Application Declaration, the CPA Attestation Report (if applicable), and all supplemental documents must be uploaded in the EZ Application Submission System in the appropriate “Uploaded Documents” Section.

CPA ATTESTATION REPORT | An independent (must be independent of the qualified zone investor) Certified Public Accountant (CPA), licensed in Virginia, must attest to the application materials, and complete the CPA Attestation Report to be submitted with most JCG applications, unless otherwise noted in this manual. The Agreed Upon Procedures for CPA Attestations and Attestation Report Templates are available on the EZ Application Submission System link above.

CPA ATTESTATION EXEMPTION | As provided in §59.1-547 of the Code of Virginia, business firms with base year employment of 100 or fewer permanent full-time positions that create **25 or fewer grant eligible positions are** exempt from the attestation requirement for that qualification year. If a firm is exempt from the Attestation Report, the firm must submit the Job Creation Worksheet with their application (regardless of qualification year).

Submittal Requirements

APPLICATIONS MUST BE SUBMITTED THROUGH THE SYSTEM NO LATER THAN 11:59PM, APRIL 1, 2027 (EDT). Applicants will be prompted to save and print the completed application for their own records. DHCD is unable to pre-qualify any applicants.

LATE APPLICATIONS/APPLICATIONS WITHOUT CPA ATTESTATION REPORT | Any application submitted without the required documents or submitted after the deadline will be considered late. Such applications are held until DHCD determines that funds remain after full funding on-time applications. At such time, DHCD will review and process late applications on a first-come, first-served basis.

MULTIPLE APPLICATIONS | If submitting more than one application, each grant application and associated materials must be submitted separately via electronic submission.

APPLICATION CONFIRMATIONS | Email confirmations will be sent throughout the submittal process to keep the applicant informed of the status of the application and to bring any submittal issues to the applicant's attention prior to certain deadlines. Applicants will receive confirmations in the following order:

1. **Successful submission of online application**: This email will indicate the date and time of the submittal. DHCD recommends applicants print the application at this time and retain confirmation emails with their grant records. If the applicant has submitted all required documents with required signatures, this notification is the only one that will be received.
2. **Notification of deficiencies**: DHCD will notify applicants by May 15 in cases where any additional information is required due to application deficiencies. The email will be sent from the following address: ezone@dhcd.virginia.gov. Please reply directly to that address when responding.
3. **Notification of resolution of deficiencies**: Applicants must resolve any identified deficiencies by June 1. Once the applicant provides the requested information, a final email will be sent to the applicant confirming DHCD's receipt of the requested material.

Summary | Eligibility Requirements

To be eligible, companies must be located within the boundaries of an Enterprise Zone.
To determine whether your company is located in an EZ, contact your locality's Economic Development Department.

ELIGIBILITY REQUIREMENTS:

- Must create at least four net new permanent full-time positions over the base year employment total.
- Base Year employment can be either of the 2 calendar years immediately preceding the first grant year. For Grant Year 2026, the Base Year may be either 2025 or 2024.
- Base Year employment is established in the first grant application and remains the same for the full 5-year period.
- Eligible positions must meet wage and health benefit requirements:
    - Positions must earn at least 150% of the minimum wage (125% in High Unemployment Areas and for SWaM-certified businesses) (see HUAs section for more info)
    - Firms must offer to cover at least 50% of employee's health insurance premium (employees may choose to waive the health benefit)

INELIGIBLE APPLICANTS:

The following are prohibited from applying for the JCG:

- Units of local, state, or federal government
- Nonprofits, other than those classified as NAICS 813910 and 813920
- Positions: personal service, food and beverage, and retail

(For a detailed list, see Chart of Activity Numbers at the end of this manual).

GRANT TERM:

Grants are awarded for 5-year periods beginning with the first grant year in which a JCG was awarded. To be eligible in years 2-5, the firm must maintain or increase the number of eligible permanent full-time positions (above the four-job threshold) over base year employment. Firms may apply for a subsequent 5-year period given they meet the grant eligibility requirements. See Appendix A for more information on subsequent 5-year periods.

GRANT CALCULATIONS:

JCG awards are determined by the wages paid and the number of months positions were filled during the Grant Year. Grants are available in amounts of:

- Up to $500 per grant eligible position filled by an employee earning at least 150% of the minimum wage (125% for businesses in HUAs and SWaM-certified businesses) **must meet all other eligibility* requirements (including offering health benefits)
- Up to $800 per grant eligible position filled by an employee earning 175% of the minimum wage. **must meet all other eligibility requirements (including offering health benefits)*
- Firms may receive grants for up to 350 positions per year.

According to the Virginia Code (13VAC5-112-10), "minimum wage" means the federal minimum wage or the Virginia minimum wage, whichever is higher as determined for the current calendar year as of December 1 of the prior calendar year by the department. Such determinization will be continuously in effect throughout the calendar year, regardless of changes to the federal minimum wage or the Virginia minimum wage during that year.

The upcoming grant cycle is Grant Year 2026 and includes jobs created in calendar year 2026. On December 1, 2025 the state minimum wage was $12.41 per hour (and higher than the federal minimum wage.)

GENERAL LIMITATIONS:

A firm can receive Job Creation Grants for a maximum of **350** grant-eligible positions **per year.** Firms with multiple locations in Enterprise Zones can receive Job Creation Grants for a maximum of 350 positions total. For example, if a firm has a location in the Martinsville EZ and the Petersburg EZ, they can only qualify 350 total positions for the two

ELIGIBLE BUSINESSES	PERCENT OF MINIMUM WAGE	WAGE RATE THRESHOLD	GRANT PER PFTE
All businesses	175%	$21.72/hour	$800 per PFTE
All businesses	150%	$18.62/hour	$500 per PFTE
HUA/SWaM-certified businesses	125%	$15.51/hour	$500 per PFTE

locations. Although businesses may qualify for both the Enterprise Zone Job Creation Grant and the Major Business Facility Job Tax Credit, firms may not qualify the same positions for both incentive programs.

EMPLOYMENT REQUIREMENTS:

Job Creation Grants are awarded for the creation of net new permanent full-time positions meeting certain wage and health benefits requirements. Given the normal turnover of employees, it is possible that several employees will fill one permanent full-time position in any one calendar year. This is acceptable if it is not "job sharing" where two employees, each working part-time, fill one position.

Eligible Employees

Included on JCG Worksheet or JCG-HUA/SWaM Worksheet

A person employed by a business firm, located within an Enterprise Zone, who is normally scheduled to work full-time, based on the following criteria:

- Minimum of 35 hours per week for the entire normal year of the business firm's operations, which a normal year must consist of at least 48 weeks;
- Minimum of 35 hours per week for a portion of the taxable year in which the employee was initially hired for or transferred to the business firm; or
- Minimum of 1,680 hours per year if the standard fringe benefits are paid by the business firm for the employee.

Grant awards will be prorated based on the number of full months of the grant year in which the employee met the wage and health benefits requirements. The following situations would trigger the proration of the $500 and $800 grant per position:

- An employee was employed less than 12 months during the grant year.
- An employee only met the wage and health benefits requirements for a portion of the grant year.
- The employee's wages changed.

Ineligible Employees

Included on JCG Worksheet or JCG-HUA/SWaM Worksheet

Positions paid **less than 150%** of the minimum wage ($18.62/hour) or **less than 125%** of the minimum wage ($15.51/hour) for businesses in HUAs and SWaM-certified businesses.

- Positions that were not offered health insurance coverage equal to at least 50% of health insurance premium based on the health benefits agreement.
- Employees not meeting wage or health insurance thresholds should be included on the worksheet but will be automatically filtered out of the grant calculations on the JCG Worksheet in Excel (the cells will automatically black out).

Not Included on JCG Worksheet or JCG-HUA/SWaM Worksheet

- Positions not meeting the statutory definition of "Full-Time," as defined in the Glossary at the end of this document.
- Positions in retail, personal service, or food and beverage services.
- Positions that are seasonal, temporary, leased, or contracted.
- Positions that previously existed elsewhere in the Commonwealth, including any positions that were transferred from outside a zone location to a zone location.

- Positions created by a business that is simultaneously closing or downsizing other facilities in the Commonwealth.
- A person that was previously employed in the same job function in Virginia by a related party, or a trade or business under common control. This includes positions filled by a business that was then purchased by another taxpayer who continued its operation (not net new to Virginia).
- A person that previously qualified for a JCG in connection with a different Enterprise Zone location on behalf of the applicant taxpayer, a related job, or a trade or business under common control (cannot claim the same job twice).
- A person whose position previously qualified a firm for the Major Business Facility Tax Credit.

EXAMPLE - My business is not a retail business, but I have retail positions. Is my firm eligible for JCG? If your business firm is not a retail business, you can only include those positions that are not retail, food/beverage, or personal service positions for the purposes of qualifying for the Job Creation Grant. For example: A hotel is a qualified business for JCG purposes. However, positions in a hotel restaurant or gift shop should be excluded.

High Unemployment Areas (HUAs)

Businesses located in HUAs and SWaM-certified businesses are eligible to apply for the JCG at the reduced wage rate threshold of $15.51/hour, or 125% of minimum wage.

Any business applying as an HUA applicant must select the appropriate box on the online application indicating that the application is for a business in an HUA or a SWaM-certified business and must complete the JCG-HUA/SWaM Worksheet. This document is specifically tailored to accommodate the reduced wage rate threshold.

Locality	Zone #
Pulaski County*	25
City of Emporia*	43B
City of Martinsville*	36 & 54
Northumberland County*	50
City of Danville*	1 & 57
Greensville County	43
Tazewell County	44

*The following communities in joint zones are **not HUAs:**

Pittsylvania County
Henry County
Lancaster County
City of Radford
Richmond County
Town of Kilmarnock
Town of Warsaw
Westmoreland County

Businesses in the above listed communities are **not eligible** for the reduced wage threshold.

Any existing business that has previously applied for the JCG as an HUA applicant in one of these zones may continue to qualify at 125% of the minimum wage for the remainder of their 5-year grant period, even if the locality is no longer considered an HUA.

Any new businesses applying for the JCG in these zones must pay **at least 125% of the minimum wage** to qualify.

SWaM-Certified Businesses

2021 legislation passed allows for **SWaM-certified (Small, Women-owned, and Minority-owned) businesses to be eligible to use the reduced wage threshold (125% minimum wage=$15.51/hour) to qualify for the $500 grant amount.** To be eligible at the reduced wage threshold, the company must have been SWaM-certified in calendar year 2026. SWaM-certified businesses must select the appropriate box on the online application indicating that the application is for a business in an HUA or a SWaM-certified business and must complete the **JCG-HUA/SWaM Worksheet.**

Look up whether a business is SWaM-certified on the online directory:
directory.sbsd.virginia.gov/#/executiveExport

Required Application Materials

EZ APPLICATION SYSTEM

Hard copies are no longer accepted. Applicants must submit their application, and all required supporting documentation electronically through the EZ Online Submission System.

- Commonwealth of Virginia FORM W-9 (federal IRS form NOT accepted)
- Local Zone Administrator (LZA) Review Form
- Applicant Declaration Form
- JCG Worksheets or JCG-HUA/SWaM Worksheets
- (In year one, all firms are required to submit Sheets 1 & 2 from the JCG Worksheet. In years 2-5, only firms that are exempt from the attestation are required to submit the JCG Worksheets 1 & 2.)
- CPA Attestation Report Form (if applicable)
- (As provided in §59.1-547, A CPA attestation is a required component to ALL JCG applications except: When the applicant has a Base Year employment ≤ 100 PFTP **and** Grant Eligible positions ≤ 25 PFTP.)

Applicants should print and retain the application for their records. To print the application before submitting, the user may use the "print" function in their browser. For example, on Chrome, click the three vertical dots on the right-top corner, then select "print" from the pop-up menu. Applicants can also print after submission. Details and instructions regarding each of the listed application materials are included in the following sections. All supplemental forms are available on the EZ Online Submission System site at:
dmz1.dhcd.virginia.gov/EZonePortal/Default.aspx

SUBMISSION DEADLINE

All application materials are due by **11:59 p.m. on April 1, 2027.**

JCG Worksheet & JCG-HUA/SWaM Worksheet

The JCG Worksheet and JCG-HUA/SWaM Worksheet must be completed and uploaded to complete the application. Business firms applying as HUA or SWaM applicants must use the JCG-HUA/SWaM Worksheet. All other business firms should use the standard JCG Worksheets.

To determine eligibility, the business firm will then need to utilize I-9 or comparable employment documentation to verify the start date of permanent full-time employment for all permanent full-time positions in the base year and grant year and identify which permanent full-time positions are net new after the base year. If the company has created at least 4 new permanent full-time positions, **the firm must complete the applicable JCG Worksheet or JCG-HUA/SWaM Worksheet to calculate eligible employment in the base and grant years.**

The JCG Worksheet and JCG-HUA/SWaM Worksheet are **Excel spreadsheets** that tabulate information on all employees filling permanent full-time positions and the hourly wage rates of the employees hired in the grant year. Based on the work dates and applicable wage rates entered for the net new positions, the remainder of the qualification information is automatically calculated within the Worksheet. The grant award for each position is determined based on the wages entered for each grant-eligible position, and the full months they were employed in the grant year. The JCG Worksheet and JCG-HUA/SWaM Worksheet are available at:
dmz1.dhcd.virginia.gov/EZonePortal/

WORKSHEET: SHEET 1

1. **Determine the Grant Year.**
   - The calendar year for which the firm is requesting the Job Creation Grant must be **2026.**
2. **Determine the Base Year.**
   - The base year is either of the two calendar years immediately preceding a business firm's first year of grant eligibility.
   - For Grant Year 2026, Year 1 applicants may choose from calendar year 2025 or 2024 as the base year.
   - **Base Year Employment is a static number and should remain the same for each year in the firm's 5 year grant period.** Therefore, firms applying in Years 2-5 should report the same base year employees on the JCG Worksheet or JCG-HUA/SWaM Worksheet and Part II, Box 3 in the EZ Application System as was reported on their Year 1 application and Worksheet.

IMPORTANT:
The columns of the Worksheets must be filled out from LEFT TO RIGHT. Filling out the columns out of order may result in calculation errors, as it may allow wages to be entered for ineligible employees.

Please note the following settings in the Worksheets:

- The cells and formulas within the Worksheet are **locked**. The applicant can only enter in information where requested; no formulas can be overridden.
- Some columns are **hidden** (in order for the auto-calculations to function) and are therefore not visible to the user.
- The Worksheet will also highlight cells in red when duplicate names and/or SSNs have been entered.
- All **shaded** columns in the Worksheet automatically populate; the applicant only has to enter in values in the **non-shaded** columns and the yellow wage rate column.

COLUMNS A-D: EMPLOYEES FILLING PERMANENT FULL-TIME POSITIONS

1. **Column C: "Employee Name"** *List all employees filling permanent full-time positions (EF-PFTPs) in* ***alphabetical order,*** *beginning with Base Year employees, followed by Grant Year employees. Due to locks on the spreadsheet, applicants will not be able to use the "sort" function in Excel to alphabetize the employees' names.*
   - Include **every employee that worked in the base year** in a permanent full-time capacity regardless of how many months he or she was employed. This could be one day, one week, one month, or the full year. All EF-PFTPs that worked during the base year must be included on the list except for unqualified positions described on Page 7.
   - The Worksheet has a function that highlights cells in red when duplicate names and/or SSNs/Employee ID numbers have been entered. If an employee has been intentionally entered twice due to the reasons described in the text box below, ignore the red cells.
   - **BASE YEAR EMPLOYEES SHOULD ONLY BE LISTED ONCE**, unless there was a gap in employment (ex. an employee that left for 2 months and was rehired). Base Year employees should NOT be listed more than once to reflect changes in wages.
2. **Column D: "Last 4 Digits of SSN or employee ID number"** *Enter in the last 4 digits of each employee's social security number. Employees may be assigned an employee ID number to be used in place of the SSN.*
3. **Column B: "Included in CPA Sample Y/N"** *CPA must indicate which employees have been selected to be sampled through preparation of the CPA Attestation Report.* **This is the final step of the Worksheet.**
4. **Repeat steps 1-3, listing all EF-PFTPs in the grant year.** *Include every employee that worked in the grant year in a permanent full-time capacity regardless of how many months he or she was employed. The result should be 2 alphabetical lists of employees, with the base year employees listed first, and the grant year employees listed second.* **See the information below for directions on reflecting Grant Year employees with wage fluctuations.**

A	B	C	D	E	F	I	J	K
	Employees Filling Permanent Full-Time Positions			Base Year (2025 or 2024)			Current Gra	
Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN	First work date in base year	Last work date in base year	Months the EF-PFTP worked in Base Year	First work date in grant year 2026	Last work date in grant year 2026
1	Y	Allison Adams	1234	01/01/25	05/06/25	4.14		
2	Y	Clark Baker	5555	06/04/25	12/31/25	6.94	01/01/26	12/31/26
3		Clark R. Baker	6234	01/01/25	12/31/25	12.00	01/01/26	11/30/26
4	Y	Karen Jamison	1234	08/05/25	11/15/25	3.39		
5		Lindsey Fleming	9897	06/04/25	12/31/25	6.94	01/01/26	06/05/26
6	Y	Patrick Johnson	6542	01/01/25	12/31/25	12.00	01/01/26	12/31/26
7		Robert Jones	3678	02/05/25	11/06/25	9.04	05/03/26	12/31/26
8		Samual Jones	6954	07/03/25	12/31/25	5.98	01/01/26	12/31/26
9	Y	Ariel Flores	1287			0.00	01/01/26	08/05/26
10		Betty James	4444			0.00	09/03/26	12/31/26
11		Doug Thomas	8386			0.00	01/05/26	12/31/26
12	Y	Doug Thomas Jr	5454			0.00	01/05/26	04/05/26
13	Y	Doug Thomas Jr	5454			0.00	04/06/26	12/31/26
14		Felicia Mason	6398			0.00	06/05/26	11/05/26
15	Y	Sarah Noland	4738			0.00	03/01/26	06/30/26
16	Y	Sarah Noland	4738			0.00	10/01/26	12/31/26
17		Trevor Osborne	5645			0.00	01/01/26	12/31/26
18		Victor Osborne	8978			0.00	01/01/26	12/31/26
19	Y	William Anders	4444			0.00	04/05/26	12/31/26
20		William Anders III	4445			0.00	05/01/26	12/31/26

Employees should only be listed on the JCG worksheet once UNLESS:

- An employee was employed during two or more separate periods in the base or grant year.
- A grant-year employee's wages fluctuated during the grant year. This does NOT apply to base year employees.

In the template above, Doug Thomas Jr is listed twice due to a wage fluctuation and Sarah Noland is also listed twice because he was employed during two separate time periods within the grant year.

The SSN cells for Allison Adams & Karen Jamison along with Betty James & William Anders are highlighted because the same value has been entered twice. This could be a coincidence, or it could be an error. The red is a warning to double check.

COLUMNS E-M: BASE AND GRANT YEAR EMPLOYMENT

To complete this portion of the JCG Worksheet, firm management must utilize the employees' payroll record documentation and I-9 Form.

5. **Column E: "First work date in base year"** *Enter first work date of EF-PFTP in base year.*
   - All dates entered in Columns E & F must fall within the base calendar year.
   - For employees who were only employed during the grant year, Columns E and F should be left blank.
6. **Column F: "Last work date in base year"** *Enter last work date of EF-PFTP in base year.*
   - The months worked in the base year (Column I) for each employee filling a permanent full-time position will be automatically calculated.
   - Column I will highlight red if the total months worked is greater than 12. This indicates an error in dates entered, and Steps 5-6 should be corrected.
   - Example: Ariel Flores (Employee Line 9) was hired in 2026. For this reason,

Columns E and F are left blank for the row pertaining to her base year work dates.

7. **Column J: "First work date in grant year 2026"** *Enter the first work date of EF-PFTP in the grant year.*
   - All dates entered in Columns J & K must fall within the grant calendar year (2026).
   - Columns J and K should be left blank for employees who worked in the base year but not grant year.
   - Example: Allison Adams and Karen Jamison (Employee lines 1 & 4) was only employed in the base year 2025. For this reason, Columns J and K are left blank for the column pertaining to their employment during the grant year.
8. **Column K: "Last work date in grant year 2026"** *Enter in the last work date of EF-PFTP.*
   - The months worked in the grant year (Column M) for each employee filling a permanent full-time position will be automatically calculated.

A	B	C	D	E	F	
	Employees Filling Permanent Full-Time Positions			Base Year (2025 or		
Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN	First work date in base year	Last work date in base year	Mo E w Ba
1	Y	Allison Adams	1234	01/01/25	05/06/25	
2	Y	Clark Baker	5555	06/04/25	12/31/25	
3		Clark R. Baker	6234	01/01/25	12/31/25	
4	Y	Karen Jamison	1234	08/05/25	11/15/25	
5		Lindsey Fleming	9897	06/04/25	12/31/25	
6	Y	Patrick Johnson	6542	01/01/25	12/31/25	
7		Robert Jones	3678	02/05/25	11/06/25	
8		Samual Jones	6954	07/03/25	12/31/25	
9	Y	Ariel Flores	1287			
10		Betty James	4111			

* Column M will highlight red if the total months worked is greater than 12. This indicates an error in dates entered, and Steps 7-8 should be corrected.

COLUMNS N-O: HEALTH BENEFITS & HOURLY WAGES FOR GRANT YEAR EMPLOYEES

To complete this portion of the JCG Worksheet, firm management must utilize the employees' payroll record documentation, I-9 Form, and Health Benefits records.

9. **Column N: "Offered Health Benefits Y/N"** *For the employees listed only in the grant year, indicate their health benefits status.*
   - "Y" indicates that the employee received or was offered health benefits; "N" indicates the employee did not receive or was not offered health benefits.
   - Column N may be left blank for any employees that worked in the base year.
   - The hourly wage column (Column O) is programmed to shade black for any grant year employees that were not offered health benefits, as indicated by an "N".
   - **DO NOT enter the wage rate for employees not offered health benefits. If this column does not shade black, the excel sheet has not been completed correctly. Employees not offered health benefits are NOT eligible.**

Example: William Anders (Employee Line 19) was not offered health insurance. The "N" in Column N automatically triggered Column O to shade black.

A	B	C	D	E	F	I	J	K	M	N	O
Employees Filling Permanent Full-Time Positions				Base Year (2025 or 2024)			Current Grant Year (GY): 2026				
Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN	First work date in base year	Last work date in base year	Months the EF-PFTP worked in Base Year	First work date in grant year 2026	Last work date in grant year 2026	Months the EF-PFTP worked in Grant Year 2026	Offered Health Benefits Y / N	Hourly wage Rate for Employees listed **in ONLY Grant Year 2026**
1	Y	Allison Adams	1234	01/01/25	05/06/25	4.14			0.00	Y	
2	Y	Clark Baker	5555	06/04/25	12/31/25	6.94	01/01/26	12/31/26	12.00	Y	
3		Clark R. Baker	6234	01/01/25	12/31/25	12.00	01/01/26	11/30/26	10.98	Y	
4	Y	Karen Jamison	1234	08/05/25	11/15/25	3.39			0.00	Y	
5		Lindsey Fleming	9897	06/04/25	12/31/25	6.94	01/01/26	06/05/26	5.13	Y	
6	Y	Patrick Johnson	6542	01/01/25	12/31/25	12.00	01/01/26	12/31/26	12.00	Y	
7		Robert Jones	3678	02/05/25	11/06/25	9.04	05/03/26	12/31/26	7.99	Y	
8		Samual Jones	6954	07/03/25	12/31/25	5.98	01/01/26	12/31/26	12.00	Y	
9	Y	Ariel Flores	1287			0.00	01/01/26	08/05/26	7.13	Y	15.65
10		Betty James	4444			0.00	09/03/26	12/31/26	3.95	Y	18.62
11		Doug Thomas	8386			0.00	01/05/26	12/31/26	11.87	Y	25.00
12	Y	Doug Thomas Jr	5454			0.00	01/05/26	04/05/26	2.99	Y	17.50
13	Y	Doug Thomas Jr	5454			0.00	04/06/26	12/31/26	8.88	Y	19.00
14		Felicia Mason	6398			0.00	06/05/26	11/05/26	5.06	Y	21.00
15	Y	Sarah Noland	4788			0.00	03/01/26	06/30/26	4.01	Y	21.50
16	Y	Sarah Noland	4788			0.00	10/01/26	12/31/26	3.02	Y	21.50
17		Trevor Osborne	5645			0.00	01/01/26	12/31/26	12.00	Y	25.00
18		Victor Osborne	8978			0.00	01/01/26	12/31/26	12.00	Y	18.00
19	Y	William Anders	4444			0.00	04/05/26	12/31/26	8.91	N	
20		William Anders III	4445			0.00	05/01/26	12/31/26	8.05	Y	21.00

10. **Column O: "Hourly wage rate for Employees listed ONLY in Grant Year"** *Enter hourly wage rates for grant year employees who received or were offered health benefits.*
    - Employees with wage fluctuations will be entered on multiple lines, reflecting the grant year dates worked at each wage. Wage fluctuations should not be reflected for base year employees.
    - **Wages should never be entered for employees that worked in the base year.** The worksheet is programmed to shade the applicable wage cell in black since these are not new positions.
    - **Wages should never be entered for employees not offered health benefits.**
    - **Starting, Ending, or Average Wages should NOT be used to reflect an annual hourly wage.**
    - Example: Doug Thomas Jr. (Employee Lines 12-13) received a wage raise, effective March 6th as reflected in Columns J-K and Column O.

COLUMNS P/Q/R/S: FULL MONTHS FOR GRANT YEAR EMPLOYEES

Based on the wages entered for the grant year employees filling permanent full-time positions, all the Columns P, Q, R, & S auto-populate such that the applicant does not have to manually distribute the total number of months each employee met the 150% (or 125% for businesses in HUAs and SWaM-certified businesses) or 175% of the minimum wage grant eligibility requirement.

****Note: Column S appears only on the JCG HUA/SWaM worksheet.**

Employment calculations for the base year and grant year are based on full-months. As such, the 4-job threshold is equivalent to **48 full-months** worked in excess of the full-months worked in the base year.

If a firm hires five employees on October 1 of the grant year (assuming no turnover), each employee will work 3 full-months in the grant year for a total of 15 full-months in the base year. While the firm hired 5 people, the firm would NOT exceed the four job threshold because each person only worked a small portion of the year.

A	B	C	D	E	F	I	J	K	M	N	O	P	Q	R
Employees Filling Permanent Full-Time Positions				Base Year (2025 or 2024)			Current Grant Year (GY): 2026					Wage Classification for Net New Positions		
Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN	First work date in base year	Last work date in base year	Months the EF-PFTP worked in Base Year	First work date in grant year 2026	Last work date in grant year 2026	Months the EF PFTP worked in Grant Year 2026	Offered Health Benefits **Y / N**	Hourly wage Rate for Employees listed **in ONLY Grant Year 2026**	PFTP in GY **not grant eligible** (not new in grant year or not meeting wage & health benefit requirement)	New PFTE in GY earning at least $18.62/hr but less than $21.72/hr	New EF PFTP in GY earning at least $21.72/hr
1	Y	Allison Adams	1234	01/01/25	05/06/25	4.14			0.00	Y		0.00	0.00	0.00
2	Y	Clark Baker	5555	06/04/25	12/31/25	6.94	01/01/26	12/31/26	12.00	Y		12.00	0.00	0.00
3		Clark R. Baker	6234	01/01/25	12/31/25	12.00	01/01/26	11/30/26	10.98	Y		10.98	0.00	0.00
4	Y	Karen Jamison	1234	08/05/25	11/15/25	3.39			0.00	Y		0.00	0.00	0.00
5		Lindsey Fleming	9897	06/04/25	12/31/25	6.94	01/01/26	06/05/26	5.13	Y		5.13	0.00	0.00
6	Y	Patrick Johnson	6542	01/01/25	12/31/25	12.00	01/01/26	12/31/26	12.00	Y		12.00	0.00	0.00
7		Robert Jones	3678	02/05/25	11/06/25	9.04	05/03/26	12/31/26	7.99	Y		7.99	0.00	0.00
8		Samual Jones	6954	07/03/25	12/31/25	5.98	01/01/26	12/31/26	12.00	Y		12.00	0.00	0.00
9	Y	Ariel Flores	1287			0.00	01/01/26	08/05/26	7.13	Y	15.65	7.13	0.00	0.00
10		Betty James	4444			0.00	09/03/26	12/31/26	3.95	Y	18.62	0.00	3.95	0.00
11		Doug Thomas	8386			0.00	01/05/26	12/31/26	11.87	Y	25.00	0.00	0.00	11.87
12	Y	Doug Thomas Jr.	5454			0.00	01/05/26	04/05/26	2.99	Y	17.50	2.99	0.00	0.00
13	Y	Doug Thomas Jr.	5454			0.00	04/06/26	12/31/26	8.88	Y	19.00	0.00	8.88	0.00
14		Felicia Mason	6398			0.00	06/05/26	11/05/26	5.06	Y	21.00	0.00	5.06	0.00
15	Y	Sarah Noland	4738			0.00	03/01/26	06/30/26	4.01	Y	21.50	0.00	4.01	0.00
16	Y	Sarah Noland	4738			0.00	10/01/26	12/31/26	3.02	Y	21.50	0.00	3.02	0.00
17		Trevor Osborne	5645			0.00	01/01/26	12/31/26	12.00	Y	25.00	0.00	0.00	12.00
18		Victor Osborne	8978			0.00	01/01/26	12/31/26	12.00	Y	18.00	12.00	0.00	0.00
19	Y	William Anders	4444			0.00	04/05/26	12/31/26	8.91	N		8.91	0.00	0.00
20		William Anders III	4445			0.00	05/01/26	12/31/26	8.05	Y	21.00	0.00	8.05	0.00
21						0.00			0.00		XX.XX	0.00	0.00	0.00

Worksheet | Sheet Two

As soon as Columns P, Q, R, and S auto-populate, Sheet 2 automatically calculated the figures that will need to be entered into the **EZ Application System**. Column B lists the values to be entered into the EZ-JCG fields online.

A	B	C
Values to be Entered in Form EZ-JCG		
New Job Creation	*Total Value*	*Form Reference*
# of all equivalent PFTP filled by the firm during the BASE year	**5.04**	Part II., 4.A.
# of all equivalent PFTP filled by the firm during the GRANT year	**12.33**	Part II., 4.B.
New eligible PFTP filled in grant year earning at least 175% of the federal minimum wage and health benefits	**1.99**	Part II., 5.E.
New eligible PFTP filled in grant year earning at least 150% of the federal minimum wage (but less than 175%) and health benefits	**2.75**	Part II., 5.F.

JCG Worksheet | Form EZ-JCG Values | Printing Instructions

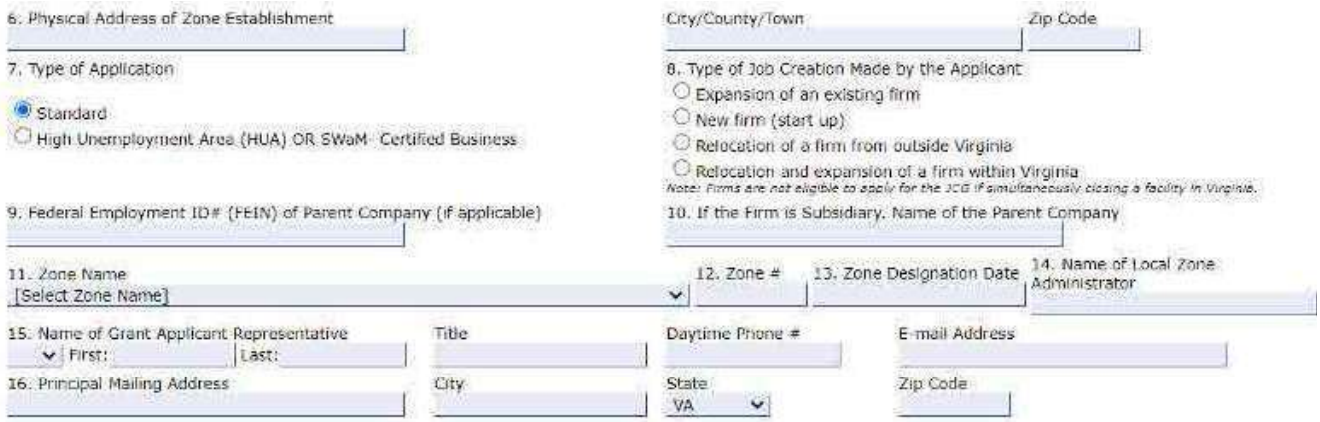
When printing a hard copy of the JCG Worksheet or JCG-HUA/SWaM Worksheet for your grant documentation files, follow the formatting and printing instructions specified on third tab of the worksheet.

JCG Submission In EZ Application Submission System

PART I: BACKGROUND INFORMATION



1. **Qualified Zone Investor's Legal Name:** *Indicate the applicant's legal business name.*
2. **Trading Name:** *Indicate the applicant's trading name, if different than its legal name.*
3. **Date Business Began Operation in Zone**: *Indicate the month, day, and year the applicant started operating its business at the zone establishment.*
4. **FEIN/SSN:** The FEIN/SSN provided with the application is used to track the qualified investors and to disburse all grant funds.
   - 0 **"FEIN"**: If the applicant is an S Corp, LLC, Partnership, Corporation, Sole Proprietorship, or other business entity, indicate the applicant's Federal Employment Identification Number (FEIN).
   - 0 **"SSN"**: If the applicant is an individual, indicate the applicant's Social Security Number (SSN).
5. **Activity #:** *Indicate the three-digit activity number that applies to the applicant's business type.*
   - 0 Chart of activity numbers. If your firm's activity number is highlighted in red in the chart, your firm or specific positions at your firm are ineligible for JCG. These positions include:
   - 0 Food & Beverage (NAICS 722), Retail (NAICS 44-45), Personal Services (NAICS 812)
   - 0 Units of Local, State, or Federal Government (Typically FEIN 746)



6. **Physical Address of Zone Establishment:** Indicate the physical location of the applicant's business operation. This establishment must be located within the boundaries of an Enterprise Zone. Contact the Local Zone Administrator for verification of zone location.
7. **Check the type of application.** Check whether the application is for a standard JCG, JCG in High Unemployment Area, or JCG SWaM-certified business. If an HUA/SWaM-certified applicant, be sure the JCG-HUA/SWaM Worksheet is utilized.
8. **Check the type of job creation made by the applicant:** For applicants selecting "Relocation and expansion of firm within Virginia," make sure the positions are not

restricted from the Job Creation Grant, as specified in the Employment Requirements section on pages 9-10.

9-10. **FEIN of Parent Company and if Firm is Subsidiary, Name of Parent Company**: If the business firm is a subsidiary, list the FEIN (#9) and the name of the Parent Company (#10).

11-13. **Zone Name, Zone #, Zone Designation Date:** Indicate the Enterprise Zone in which the business is located. Zone names, zone numbers and designation dates are available on the EZ Online Submission System site at dmz1.dhcd.virginia.gov/EZonePortal/.

14. **Name of Local Zone Administrator:** State the name of the Local Zone Administrator (LZA). LZA contact information is available at dmz1.dhcd.virginia.gov/EZonePortal/.

15-16. The Qualified Zone Investor must provide **contact information** for the grant applicant representative. The email address of the applicant representative is required as applicants will receive email confirmations and updates throughout the application submission and review process. See page 6 of this manual for more information.

PART II: QUALIFICATION INFORMATION

1. Grant is requested for calendar year _____ (YYYY). 2. Check year of qualification. ○ YR 1 ○ YR 2 ○ YR 3 ○ YR 4 ○ YR 5
3. Base Calendar year used by the business firm _____ (YYYY). *This base year remains the same for the five years of qualification.*
4. **New Job Creation** (Note: PFTP=Permanent full-time position.)

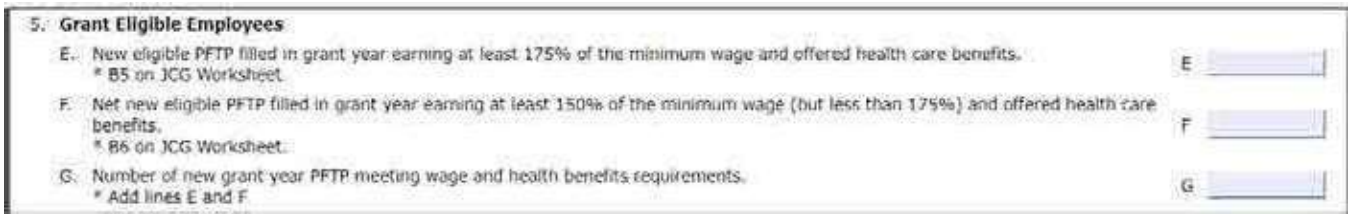
All documented jobs must exclude positions in retail, food and beverage, and personal service.

A. # of all equivalent PFTP filled by the firm during the BASE year. *(Base Year remains the same for the five years of qualification.)*	A	
B. # of all equivalent PFTP filled by the firm during the GRANT year.	B	
C. Increase in the # of equivalent PFTP created over the base year. Subtract line A from line B.	C	
D. New jobs created over four net new job threshold. Subtract 4 from line (C). *Note: If line C is equal to or less than 4, the firm will not qualify for job creation grants.*	D	

*Base year employment is a static number, and should remain the same for each year in the firm's five-year period.

1. **Grant Year**: Enter the calendar year for which the grant is requested. (Current Grant Year: 2026)
2. **Qualification Year**: Enter the qualification year (1 -5) for which the grant is requested.
3. **Base Year**: Determine the base year from which the business firm is claiming an increase in employment.Firms may use either of the two calendar years immediately preceding its first year of grant eligibility as the base year. This allows a business the discretion to select a base year with lower employment to maximize grant benefits. For GY2026, use BY2025 or BY2024.
   - 0 Companies new to Virginia within the past two years will have a base year employment of zero.
   - 0 Please see Appendix A for instructions on how to qualify for a subsequent five-year grant period.
4. **New Job Creation**: Determine the base year for which the business firm is claiming an increase in employment.
   - 0 Boxes 4A & 4B should be populated with the figures provided on Sheet 2 of the Job Creation Worksheet (excel) in cells B3 & B4.
   - 0 Box 4C must be greater than 4 to qualify for a grant.
   - 0 Box 4C-D will auto calculate based on information enter in 4A-B.
5. **Grant Eligible Employees**: Determine which new positions meet the wage requirements for each grant level.

- Boxes 5E & 5F should be populated with the figures provided on Sheet 2 of the Job Creation Worksheet (excel) in cells B5 & B6.



CALCULATION OF GRANT AWARDS

When Box 4D is greater than Box 5G… use numbers in Boxes E and F to calculate the grant amounts in Boxes 6A and 6B.

When Box 4D is less than Box 5G….

- If Box E = 0: Multiply Box D by $500 and enter total in Box 6B and "0" in Box 6A.
- If Box F = 0: Multiply Box D by $800 and enter total in Box 6A and "0" in Box 6B.
- If values in both Boxes E and F:
  - If Box E is less than D, multiply Box E by $800 and enter total in Box 6A. Then subtract Box E from Box D, multiply by $500, and enter total in Box 6B.
  - If Box E is greater than Box D, multiply Box D by $800 and enter total in Box 6A, and "0" in Box 6B

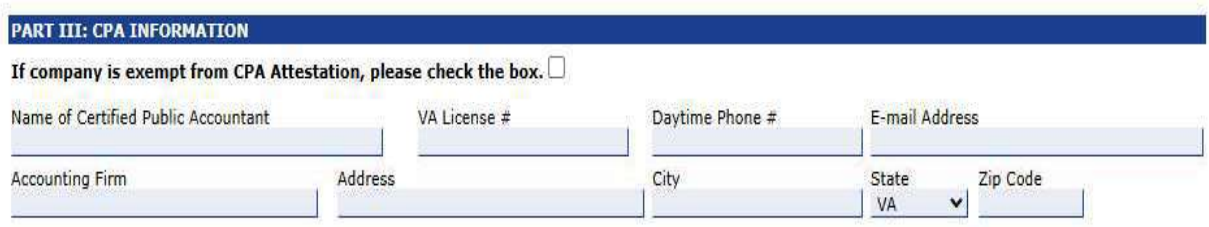
When Box 4D or Box 5G are greater than 350…

If the number of grant eligible positions is greater than 350: Follow the calculation instructions described above. However, during the review process, DHCD will adjust the calculations to take the 350-job cap into consideration. Grants will be awarded for eligible positions at the higher grant level first.

Boxes 6A-C are all auto-calculated on the online application. The email address is required, as applicants will receive email confirmations/updates throughout the application submission and review.

PART III: CPA CONTACT INFORMATION

The business firm representative needs to provide contact information for the CPA who prepared the Attestation Report in this section. **If no attestation report is required, check the EXEMPT box.**

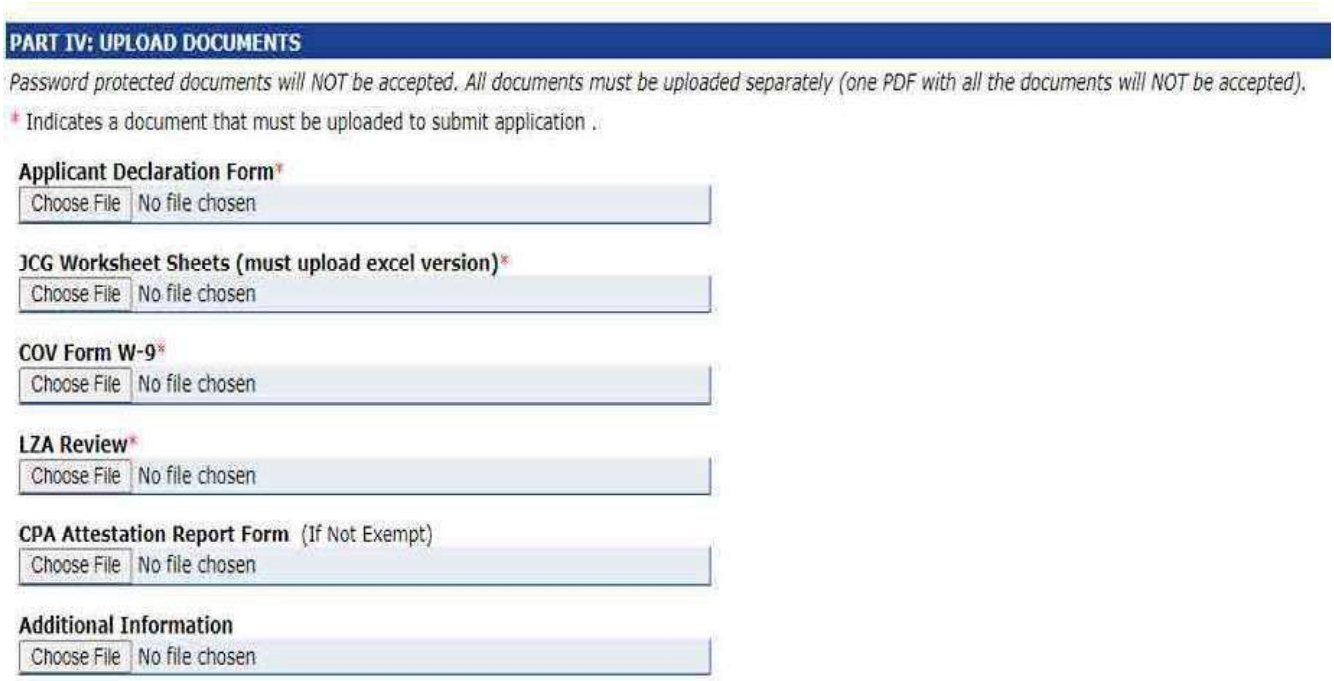


PART IV: UPLOAD DOCUMENTS

ALL uploaded documents must be uploaded separately (one PDF with all the documents will NOT be accepted). Password protected documents will NOT be accepted. The following documents are **required.**

- Applicant Declaration Form
- JCG Worksheet Excel Doc
- Completed Commonwealth of Virginia Form W-9
- LZA Review
- CPA Attestation Report Form (if not exempt)

Documents that require a signature must either be a wet signature that has been scanned in or a digital signature with an authorization code/envelope number.



APPLICANT DECLARATION FORM

The Applicant Declaration Form must be signed and dated by a representative of the business firm that has made the management decisions necessary to complete the application and has reviewed the application and required attachments for accuracy and completion. The Applicant Declaration Form must by uploaded in PART IV of the Portal Submission System.

JCG WORKSHEET SHEET

Upload the completed JCG worksheet as an Excel file in PART IV of the Portal Submission System.

COMMONWEALTH OF VIRGINIA W-9

A **completed Commonwealth of Virginia Form W-9** form must be submitted with each grant application in PART IV of the JCG page of the Portal Submission System. The FEIN or SSN listed in PART I must match the FEIN or SSN on the W-9. A blank W-9 form can be found here: doa.virginia.gov/forms/CVG/W9_COVSubstitute.pdf
Federal Form W-9 will NOT be accepted.

DISREGARDED ENTITIES & SUBSIDIARIES

The applicant should be the company or individual that is capitalizing on the investment. **The applicant cannot be a disregarded entity.** Often, disregarded entities have a parent company, and in that case the parent company should be the applicant. In other cases of a disregarded entity the individual owner is the applicant and should apply in their own name with their social security number. If the zone investor is a disregarded entity for tax purposes, please utilize the Legal Name and FEIN/TIN of the parent/taxable entity on Form EZ-RPIG and fill out the Commonwealth of Virginia W-9 Form accordingly.

LZA REVIEW

The Local Zone Administrator Review document must be signed and uploaded in Part IV.

CPA ATTESTATION REPORT

As required by statute, a CPA must perform an attestation following the Agreed-Upon Procedures outlined by DHCD. The CPA must be independent of the Qualified Zone Investor and licensed in the Commonwealth of Virginia. The CPA will test the documentation and calculations used to prepare the Job Creation Grant application and will report on these procedures and their findings in the Attestation Report. This report is to be signed by the CPA and uploaded and submitted electronically.

Contact your CPA to find out if they are able to fulfill the attestation requirements for the Job Creation Grant application. All CPAs should know if they are able to perform agreed upon procedures.

These procedures and additional information are available on the EZ Online Submission System site at:
dmz1.dhcd.virginia.gov/EZonePortal

CPA Attestation Exemption: As provided in §59.1-547 of the Code of Virginia, business firms with base year employment of 100 or fewer permanent full-time positions that create 25 or fewer grant eligible positions **are** exempt from the attestation requirement for that qualification year. If a firm is exempt from the Attestation Report, the firm must submit the Job Creation Worksheet with their application (regardless of qualification year).

The JCG Worksheet must be completed each year the firm seeks qualification for the JCG, regardless of whether the Attestation Report is required.

Can my CPA prepare the application, accompanying materials (worksheets), and attest?
Professional standards (AICPA) provide that a CPA can offer assistance provided the CPA does not assume management responsibilities, such as making management decisions or performing management functions. The decision to follow any advice provided remains with management of the entity.

PART V: COMMENTS

The applicant may enter any additional information or notes in this section.



TAXABILITY OF GRANTS

Under IRS regulations, grant awards may be considered taxable income. A 1099 will be issued to all EZ grantees for the grant awards received. For tax-related questions, please contact your tax professional for guidance.

Note: If a grant applicant has any type of outstanding liability to the State (such as an outstanding tax liability), the awarded grant amount will be reduced by the dollar amount of the liability. DHCD does not have records of potential liabilities as this process is handled outside the agency. **If you receive a grant award that is less than the amount noted in the qualification letter, please call the Department of Accounts at (804) 371-8383.**

RECORD KEEPING REQUIREMENTS

DHCD may at any time review an applicant's records related to qualification under this section to assure that information provided in the application process is accurate. Qualified Zone Investors shall maintain all documentation regarding JCG qualification for a minimum of three years following the receipt of the grant. Grants that do not have adequate documentation regarding qualified real property investments may be subject to repayment. **All JCG grantees are monitored for their first grant year.** Job Creation Grants that do not have adequate documentation regarding permanent full-time positions, report to work criteria, wage rates, or the provision of health benefits may be subject to repayment. The digital version along with a hard copy print out must be kept on file with other grant request records.

APPENDIX A

A. Requesting a Second or Subsequent five-year Job Creation Grant Period

Business firms who have finished their first 5-year incentive period may qualify for a subsequent grant period provided that they are still creating new jobs eligible to receive Job Creation Grants.

If a second or subsequent 5 year grant period is requested within two years after the previous five-year grant period, the subsequent base year will be the last grant year.

If a business firm applies for a subsequent 5 year grant period beyond the two years immediately following the completion of the previous 5 year grant period, the business firm shall use one of the 2 preceding calendar years as subsequent base year, at the choice of the business firm.

Definitions For JCGs

Agreed upon procedures engagement:
An engagement between an independent Certified Public Accountant licensed by the Commonwealth and the business or qualified zone investor seeking to qualify for Enterprise Zone incentive grants whereby the independent Certified Public Accountant, using procedures specified by the Department, will test and report on the assertion of the business or qualified zone investor as to their qualification to receive the Enterprise Zone incentive pursuant to 59.1-549 of the Code of Virginia.

Base year, for wage-based Job Creation Grants:
Either of the two calendar years immediately preceding a business firm's first year of grant eligibility, at the choice of the business firm.

Bonus:
A payment made in addition to the employee's regular earnings.

Business firm:
Any corporation, partnership, electing small business (subchapter S) corporation, limited liability company, or sole proprietorship authorized to do business in the Commonwealth of Virginia. This shall also include business and professional organizations and associations whose classification falls under sectors 813910 and 813910 of the North American Industry Classification System (NAICS) and that generate the majority of their revenue from customers outside the Commonwealth.

Commission:
The compensation paid to an employee after completing a task, which is usually selling a certain amount of goods or services.

Common control:
Such firms as defined by Internal Revenue Code § 52(b).

Food and beverage service:
A business whose classification falls under subsector 722 Food Services and Drinking Places of North American Industry Classification Systems (NAICS).

Full month:
The number of days that the permanent full-time position must be filled in order to count in the calculation of the grant amount. A full month is equivalent to 30.416666 days.

Grant-eligible position:
A new permanent full-time position created above the threshold number at an eligible business firm. Positions in retail, personal service or food and beverage service shall not be grant eligible positions.

Health benefits:
That at a minimum, medical insurance is offered to employees and the employer shall offer to pay at least 50 percent of the cost of the premium at the time of employment and annually thereafter.

High Unemployment Areas (HUA):
Enterprise Zone localities with unemployment rates one and one-half times or more than state average based on the most recent annualized unemployment data published by the Virginia Employment Commission.

Independent Certified Public Accountant:
A public accountant certified and licensed by the Commonwealth of Virginia who is not an employee of the business firm seeking to qualify for grants under this Program.

Local Zone Administrator:
The chief executive of the city or county in which an Enterprise Zone is located, or his or her designee. Pursuant to Enterprise Zone designations made prior to July 1, 2005, this shall include towns.

Minimum Wage:
The federal minimum wage or the Virginia minimum wage, whichever is higher as determined for the current calendar year as of December 1 of the prior calendar year by the department. Such determination will be continuously in effect throughout the calendar year, regardless of changes to the federal minimum wage or the Virginia minimum wage during that year, according to the Virginia Code (13VAC5-112-10).

Permanent full-time position:
A job of indefinite duration at a business firm located in an enterprise zone, requiring the employee to report to work within an enterprise zone; and requiring (i) a minimum of 35 hours of an employee's time per week for the entire normal year of a business firm's operation, which a normal year must consist of 48 weeks, (ii) a minimum of 35 hours of an employee's time per week for the portion of the calendar year in which the employee was initially hired for or transferred to the business firm, or (iii) a minimum of 1,680 hours per year. Such positions shall not include: (i) seasonal, temporary, or contract positions, (ii) a position created when a job function is shifted from an existing location in the Commonwealth to a business firm located with an enterprise zone, (iii) any position that previously existed in the Commonwealth, or (iv) positions created by a business that is simultaneously closing facilities in other areas of the Commonwealth.

Personal Service:
Such positions as classified under NAICS 812.

Regular basis:
At least once a month as related to "report to work" requirements for the wage-based job creation grants.

Related party:
Means those as defined by Internal Revenue Code § 267(b).

Report to work:
That the employee filling a permanent full-time position reports to the business' zone establishment on a regular basis.

Retail:
A business whose classification falls under sector 44-45 Retail Trade of the North American Industry Classification System (NAICS).

Seasonal employee:
Any employee who normally works on a full-time basis and whose customary annual employment is less than nine months. For example, individuals hired by a CPA firm during the tax return season in order to process returns who work full-time over a three-month period are seasonal employees.

Subsequent base year:
The base year for calculating the number of grant eligible positions in a second or subsequent five consecutive calendar year grant period. If a second or subsequent five-year grant period is requested within two years after the previous five-year grant period, the subsequent base year will be the firm's last grant year. The calculation of this subsequent base year employment will be determined by the number of permanent full-time positions in the preceding base year, plus the number of threshold positions, plus the number of grant eligible positions in the final year of the previous grant period. If a business firm applies for a subsequent five-consecutive-year grant period beyond the two years immediately following the completion of the previous five-year grant period, the business firm shall use one of the two preceding calendar years as subsequent base year, at the choice of the business firm.

Threshold number:
An increase of four permanent full-time positions over the number of permanent full-time positions in the base year or subsequent base year.

Transferred employee:
An employee of a firm in Virginia that is relocated to an enterprise zone facility owned or operated by that firm.

Wage rate:
The hourly wage paid to an employee inclusive of shift premiums and commissions. In the case of salaried employees, the hourly wage rate shall be determined by dividing the annual salary, inclusive of shift premiums and commissions by 1,820 hours. Bonuses, overtime, and tips are not to be included in the determination of wage rate.

Chart Of Activity Numbers

Agriculture, Forestry, Fishing and Hunting	
Activity Code	**Subsector Description**
111	Crop Production
112	Animal Production
113	Forestry and Logging
114	Fishing, Hunting and Trapping
115	Support Activities for Agriculture and Forestry
Mining	
Activity Code	**Subsector Description**
211	Oil and Gas Extraction
212	Mining (except Oil and Gas)
213	Support Activities for Mining
Utilities	
Activity Code	**Subsector Description**
221	Utilities
Construction	
Activity Code	**Subsector Description**
236	Building, Developing, and General Contracting
237	Heavy and Civil Engineering Construction
238	Special Trade Contractors
Manufacturing	
Activity Code	**Subsector Description**
311	Food Manufacturing
312	Beverage and Tobacco Product Manufacturing
313	Textile Mills

314	Textile Product Mills
315	Apparel Manufacturing
316	Leather and Allied Product Manufacturing
321	Wood Product Manufacturing
322	Paper Manufacturing
323	Printing and Related Support Activities
324	Petroleum and Coal Products Manufacturing
325	Chemical Manufacturing
326	Plastics and Rubber Products Manufacturing
327	Nonmetallic Mineral Product Manufacturing
331	Primary Metal Manufacturing
332	Fabricated Metal Product Manufacturing
333	Machinery Manufacturing
334	Computer and Electronic Product Manufacturing
335	Electrical Equipment, Appliance, and Component Manufacturing
336	Transportation Equipment Manufacturing
337	Furniture and Related Product Manufacturing
339	Miscellaneous Manufacturingt

Wholesale Trade	
Activity Code	**Subsector Description**
423	Wholesale Trade, Durable Goods
424	Wholesale Trade, Nondurable Goods
425	Wholesale Electronic Markets and Agents and Brokers

Retail Trade – PROHIBITED FROM APPLYING FOR JOB CREATION GRANTS	
Activity Code	**Subsector Description**
441	Motor Vehicle and Parts Dealers
442	Furniture and Home Furnishings Stores
443	Electronics and Appliance Stores
444	Building Material and Garden Equipment and Supplies Dealers
445	Food and Beverage Stores
446	Health and Personal Care Stores
447	Gasoline Stations
448	Clothing and Clothing Accessories Stores
451	Sporting Goods, Hobby, Book, and Music Stores
452	General Merchandise Stores
453	Miscellaneous Store Retailers
454	Nonstore Retailers
Transportation and Warehousing	
Activity Code	**Subsector Description**
423	Wholesale Trade, Durable Goods
424	Wholesale Trade, Nondurable Goods
425	Wholesale Electronic Markets and Agents and Brokers
481	Air Transportation
482	Rail Transportation
483	Water Transportation
484	Truck Transportation
485	Transit and Ground Passenger Transportation
486	Pipeline Transportation
487	Scenic and Sightseeing Transportation

488	Support Activities for Transportation
491	Postal Service
492	Couriers and Messengers
493	Warehousing and Storage

Information	
Activity Code	**Subsector Description**
511	Publishing Industries
512	Motion Picture and Sound Recording Industries
515	Broadcasting and Telecommunications
517	Telecommunications
518	Data Processing Services, Hosting, and Related Services
519	Other Information Services

Finance and Insurance	
Activity Code	**Subsector Description**
521	Monetary Authorities - Central Bank
522	Credit Intermediation and Related Activities
523	Securities, Commodity Contracts, Other Financial Investments and Related Activities
524	Insurance Carriers and Related Activities
525	Funds, Trusts, and Other Financial Vehicles

Real Estate and Rental and Leasing	
Activity Code	**Subsector Description**
531	Real Estate
532	Rental and Leasing Services
533	Lessors of Nonfinancial Intangible Assets (except Copyright)

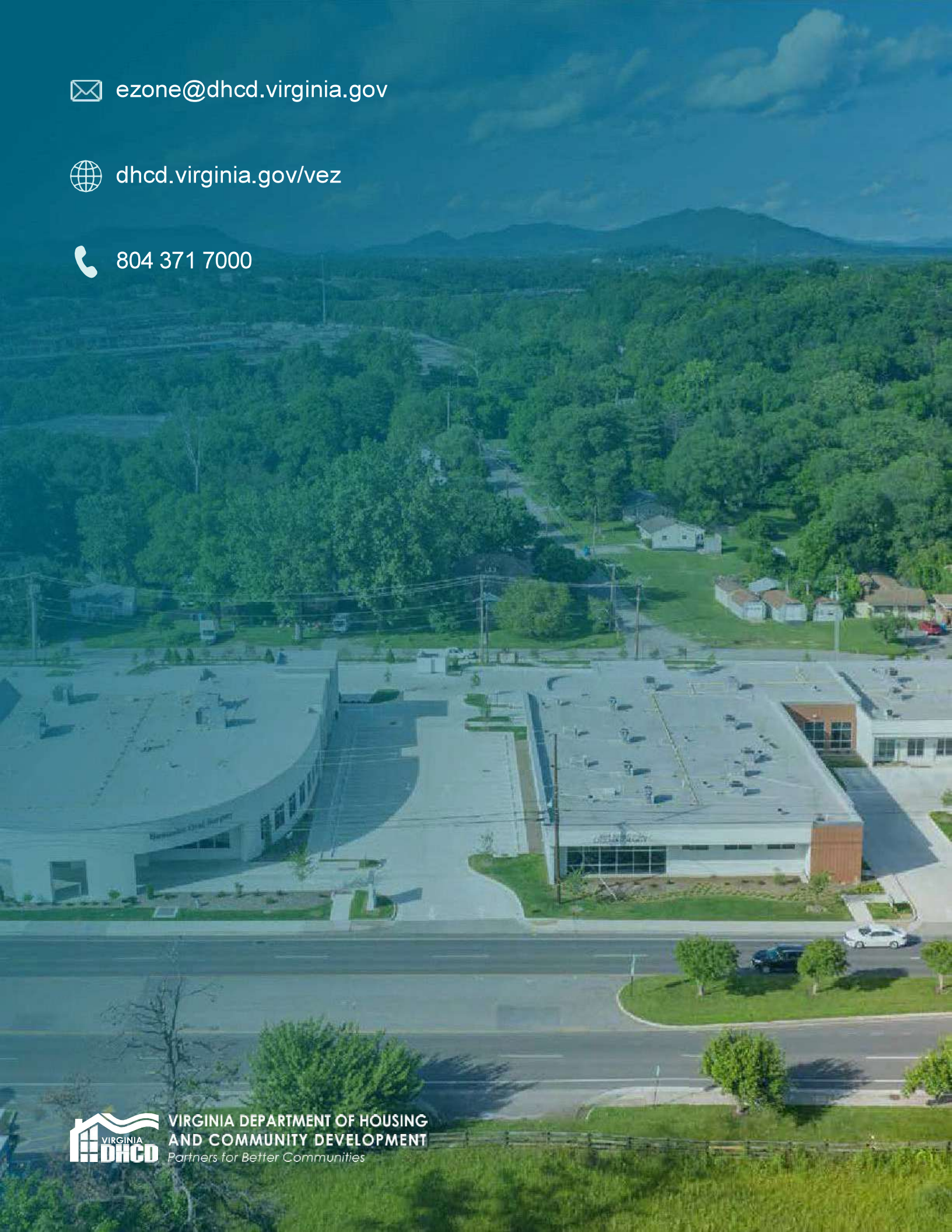
Professional, Scientific, and Technical Services	
Activity Code	**Subsector Description**
541	Professional, Scientific, and Technical Services
Management of Companies and Enterprises	
Activity Code	**Subsector Description**
551	Management of Companies and Enterprises
562	Waste Management and Remediation Services
Educational Services	
Activity Code	**Subsector Description**
611	Educational Services
Health Care and Social Assistance	
Activity Code	**Subsector Description**
621	Ambulatory Health Care Services
622	Hospitals
623	Nursing and Residential Care Facilities
624	Social Assistance
Arts, Entertainment, and Recreation	
Activity Code	**Subsector Description**
711	Performing Arts, Spectator Sports, and Related Industries
712	Museums, Historical Sites, and Similar Institutions
713	Amusement, Gambling, and Recreation Industries
Accommodation and Food Services	
Activity Code	**Subsector Description**
721	Accommodation
722	Food Services and Drinking Places-- Prohibited from applying for job creation grants

Other Services (except Public Administration)	
Activity Code	**Subsector Description**
811	Repair and Maintenance
812	Personal and Laundry Services—Prohibited from applying for the Job Creation Grant
813	Religious, Grant making, Civic, Professional, and Similar
814	Private Households

ezone@dhcd.virginia.gov

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804 371 7000

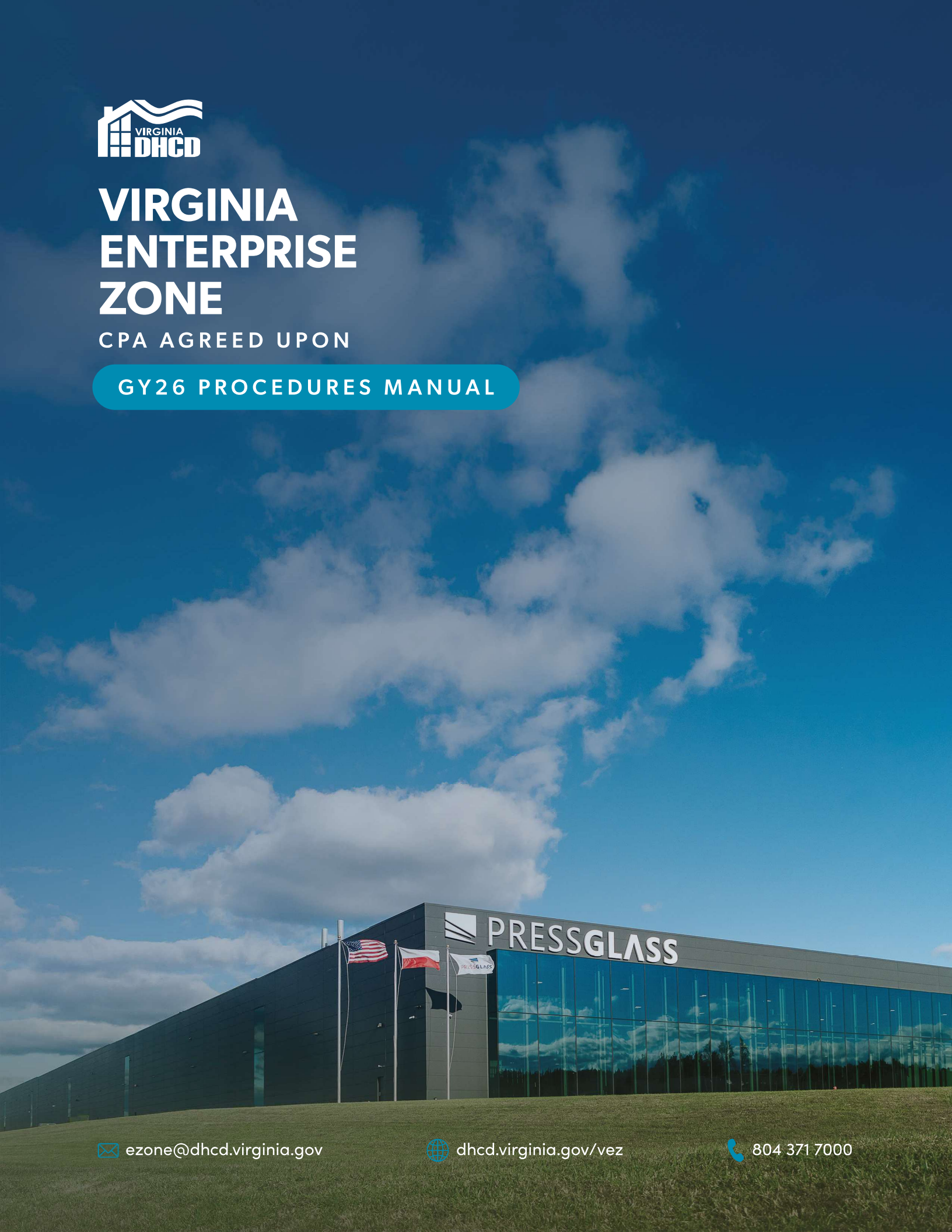


VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities

VIRGINIA ENTERPRISE ZONE

CPA AGREED UPON

GY26 PROCEDURES MANUAL



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INTRODUCTION

This document provides instructions for CPAs performing the Agreed-Upon Procedures outlined by the Department of Housing and Community Development. These procedures test and report on the assertion of a business or qualified zone investor as to their qualification to receive Job Creation Grants (JCGs) or Real Property Investment Grants (RPIGs). The findings from these procedures are reported in the CPA Attestation Report. This report is a required application component for both the Job Creation Grant and Real Property Investment Grant.

Agreed-Upon Procedures for the Job Creation Grant are provided in the first half of this document and in the second half for the Real Property Investment Grant.

Each respective grant section contains information regarding:

- An overview of the grant amount and eligibility criteria;
- Required grant documentation;
- The CPA's attestation responsibilities;
- The applicant firm's responsibilities;
- And purpose and procedures for each attestation requirement.

As provided in §59.1-547 of the Code of Virginia, business firms with Base Year employment of 100 or fewer permanent full-time positions that create 25 or fewer grant-eligible positions are exempt from the attestation requirement for that qualification year. However, the firm is not exempt from completing the required Job Creation Grant Worksheet. The JCG Worksheet must be completed each year the firm seeks qualification for the JCG.

Virginia Enterprise Zone (VEZ) program is partnership between state and local government that encourages job creation and private investment. VEZ accomplishes this by designating Enterprise Zones throughout the state and providing two grant-based incentives, the Job Creation Grant (JCG) and the Real Property Investment Grant (RPIG), to qualified investors and job creators within those zones, while the locality provides local incentives.

VEZ grants are subject to an annual appropriation by the General Assembly. By statute, the Job Creation Grants (JCGs) receive funding priority. After fully funding the JCGs, the remaining funds will be allocated to the Real Property Investment Grants (RPIGs) and the amount paid to each RPIG applicant will be prorated proportionally should grant requests exceed the remaining funds. In past years, the program faced challenges in fully funding RPIG applications, which necessitated the need for prorating RPIGs. Since 2021, however, the program funding and number of grant requests have allowed for the full funding of both JCGs and RPIGs.

GRANT YEAR 2026 TIMELINE

Grant Year 2026 | Job Creation Grant Timeline

Jobs Created	Qualification Determination	Applications Due to DHCD	DHCD Review	Funding Released
Calendar Year 2026 Net new employment over base year eligibility threshold	**January - March 2027** JCG worksheet, CPA Attestation (if applicable), How to Qualify workshops/ webinars	**April 1 2027** Submissions of applications electronically on EZ Application Submission Portal (hard copy NOT accepted)	**April - June 2027** DHCD staff reviews apps. Notifies grantees of changes that need to be made for approval	**June 2027** Funds disbursed

Grant Year 2026 | Real Property Investment Grant Timeline

Final Placed-in-Service Doc	Qualification Determination	Applications Due to DHCD	DHCD Review	Funding Released
Calendar Year 2026 Final placed-in-service documentation received	**January - March 2027** Supplemental forms, CPA Attestation, How to Qualify workshops/ webinars	**April 1 2027** Submissions of applications electronically on EZ Application Submission Portal (hard copy NOT accepted)	**April - June 2027** DHCD staff reviews apps. Notifies grantees of changes that need to be made for approval	**June 2027** Funds disbursed

APPLICATION INFORMATION

The Qualified Zone Investor is expected to complete and submit all required application components through the EZ Application Submission System. All required attachments/ uploads, including the JCG Online Worksheets, the CPA Attestation Report, Final Placed-in-Service document, and supplemental documents must be submitted electronically through the Submission System, which can be found here:
dmz1.dhcd.virginia.gov/EZonePortal/Default.aspx



As part of the application process, an independent Certified Public Accountant (CPA), licensed in Virginia, must attest to these application materials. The CPA Attestation Report is required and must be submitted with RPIG applications and most JCG applications, unless otherwise noted in this manual. The Agreed-Upon Procedures for CPA Attestations and Attestation Report Templates are available on the **EZ Application Submission System.**

AGREED-UPON PROCEDURES ENGAGEMENT

As required by statute, a CPA must perform the **Agreed-Upon Procedures** outlined by DHCD in this document. The CPA selected to perform these procedures must be **independent** of the company and currently licensed in the Commonwealth of Virginia. The CPA will review information, apply tests, and report on these procedures and their findings in the attestation report signed and submitted by the CPA on behalf of their client. The Attestation Report Form for both grant programs and a sample engagement letter on the **EZ Online Submission** site.

How is an attestation different from an audit?

The American Institute of Certified Public Accountants (AICPA) has promulgated standards for attestation engagements, other than those involving audits of financial statements, in the "AT" section of professional standards.

The Agreed-Upon Procedures Engagement outlines specific procedures to be performed on a subject matter whereby a CPA is engaged by a client to issue a report of findings. Distribution of the report based on such an engagement is limited to specific, identified users (in this case, the applicant and DHCD). Guidance for the performance of such engagements can be found in **AT Section 201** of the American Institute of Certified Public Accountants(AICPA) Professional Standards. Under the Enterprise Zone Statute, Enterprise Zone grant applicants must hire an independent CPA currently licensed in Virginia to perform the Agreed-Upon Procedures established by DHCD. The CPA's attestation report MUST BE **SUBMITTED ONLINE** with the grant application materials no later than **11:59 p.m. on April 1, 2027**, in order for the application to be considered on time.

CPA ATTESTATION REPORT: FORM REQUIREMENTS

Findings from the Agreed-Upon Procedures are to be reported on the required CPA Attestation Report forms. The forms have been created to ensure that all CPAs are reporting on the procedure as indicated. The forms and use of the forms have the support of the VA Society of CPAs. CPAs must use the Attestation Report templates provided by DHCD to document findings. Attestation report forms for both the Real Property Investment Grant and the Job Creation Grant are available for download on the **EZ Online Submission System** site under the CPA Attestation Report header.

The link to the EZ Online Submission System to access the appropriate forms is included below: **dmz1.dhcd.virginia.gov/EZonePortal/CPAs.aspx**

CPA Attestation Report (RPIG and JCG)	
Real Property Investment Grant Attestation Report Form	Required in prescribed format
Job Creation Grant Attestation Report Form	Required in prescribed format This document was updated as of 2/9/2015. Language in section 3B, Part 3 was changed to refer to employees 'who worked' in the grant year (previously incorrectly identified as employees that were 'hired' in the grant year). Section 3B, Part 4 was updated to reflect that the columns referenced in this portion of the attestation are columns P, Q, and R (previously incorrectly identified as Q, R, and S.)
CPA Agreed Upon Procedures Manual (RPIG and JCG)	Includes information regarding procedures for each grant
Guidance on CPA Attestation Report Format and Documentation of Findings	Includes information on appropriate description of CPA's findings

The attestation report that accompanies the application must be submitted on the appropriate DHCD Attestation Report form or the application will be deemed incomplete. **Do not** retype the procedures or submit findings using any document other than what has been provided by DHCD. Applications will have to be resubmitted using the correct form to be processed.

Additionally, any reports submitted that do not state the findings for each procedure are also considered incomplete. The AICPA professional standards set forth in **Section AT 201.25**, state that the "practitioner should report all findings from the application of the Agreed-Upon Procedures." Furthermore, **Section AT 201.26** specifies that "a practitioner should avoid vague or ambiguous language in reporting findings." Please see the examples of appropriate and inappropriate descriptions of findings within **Section AT 201.26**. Based on the professional standards set forth, **providing one's initials and/or "no findings" by each procedure does not constitute an adequate description of findings**. In instances where no findings are reported or only the CPA's initials are listed as the findings, the report will be deemed incomplete, and the application will not be processed until the report is re-submitted.

SUBMITTAL REQUIREMENTS

APPLICATIONS MUST BE SUBMITTED THROUGH THE SYSTEM NO LATER THAN 11:59PM, APRIL 1, 2027 (EDT).

Applicants will be prompted to save and print the completed application for their own records. DHCD is unable to pre-qualify any applicants.

LATE APPLICATIONS/APPLICATIONS WITHOUT CPA ATTESTATION REPORT

Any application submitted without the required CPA Attestation Report or submitted after the deadline will be considered late. Such applications are held until DHCD determines that funds remain after fully funding on-time applications. At such time, DHCD will review and process late applications on a first-come, first-served basis.

MULTIPLE APPLICATIONS

If submitting more than one application, each grant application and associated materials must be submitted separately via electronic submission.

APPLICATION CONFIRMATIONS

Email confirmations will be sent throughout the submittal process to keep the applicant informed of the status of the application and to bring any submittal issues to the applicant's attention prior to certain deadlines. Applicants will receive confirmations in the following order:

1. **Successful submission of online application** - This email will indicate the date and time of the submittal. DHCD recommends applicants print the application at this time and retain confirmation emails with their grant records. If the applicant

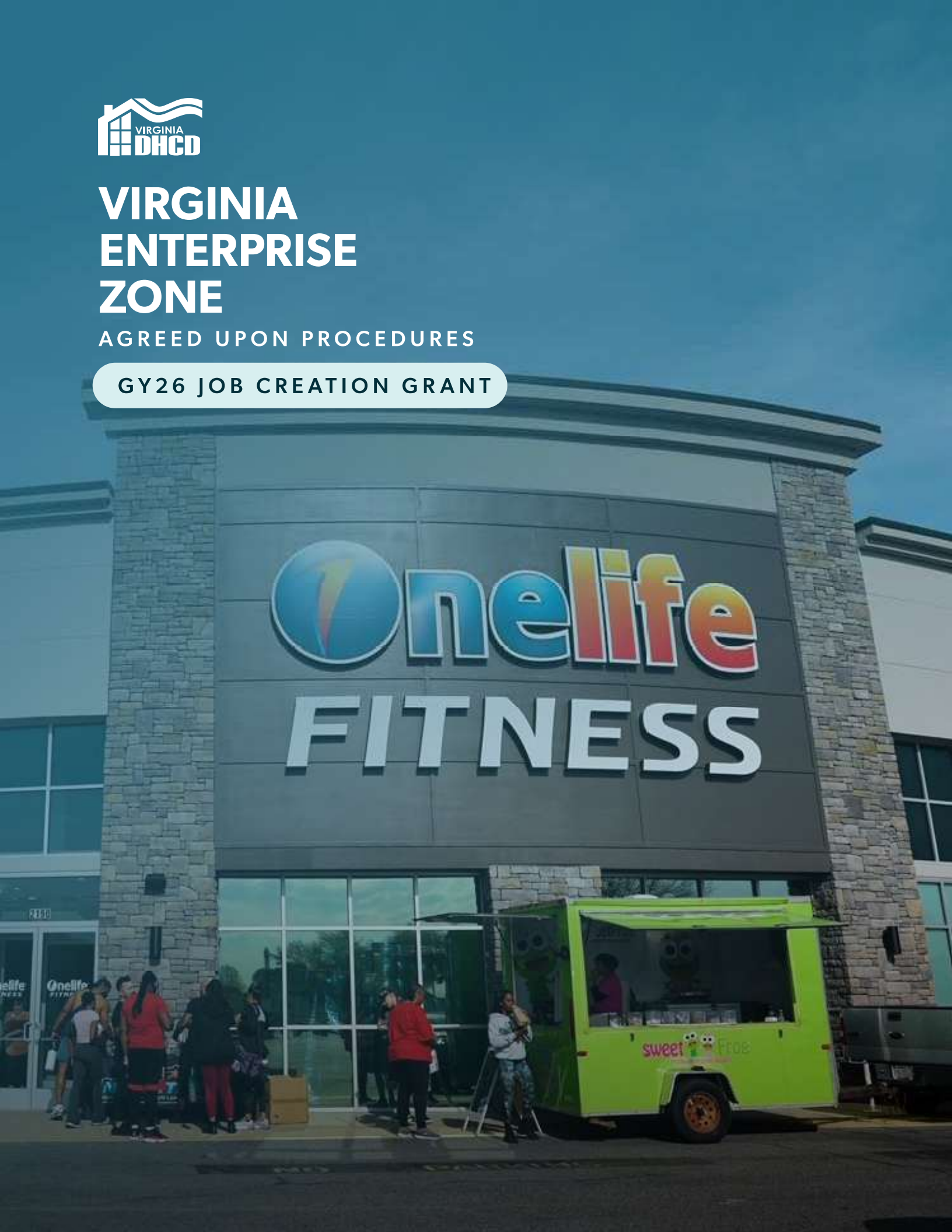
has submitted all required documents with required signatures, this notification is the only one that will be received.

2. **Notification of deficiencies** – DHCD will notify applicants by May 15 in cases where any additional information is required due to application deficiencies. The email will be sent from the following address: ezone@dhcd.virginia.gov. Please reply directly to that address when responding.
3. **Notification of resolution of deficiencies** – Applicants must resolve any identified deficiencies by June 1. Once the applicant provides the requested information, a final email will be sent to the applicant confirming DHCD's receipt of the requested material.

VIRGINIA ENTERPRISE ZONE

AGREED UPON PROCEDURES

GY26 JOB CREATION GRANT



JOB CREATION GRANT

To be eligible, companies must be located in the boundaries of an Enterprise Zone. To determine whether your company is located in an EZ, contact your locality's Economic Development Department.

Eligibility Requirements:

- Must create at least four net new permanent full-time positions over the base calendar year
- Base Year employment can be either of the 2 calendar years immediately preceding the first grant year.
- Base Year employment is established in the first grant application and remains static for the full 5-year period.
- Eligible positions must meet wage and health benefit requirements:
    - Positions must earn at least 150% of the minimum wage (125% in High Unemployment Areas (HUAs) or SWaM-certified businesses) (see **page 10** for more info)
    - Firms must offer to cover at least 50% of employees' health insurance premium

Ineligible Applicants:

The following are prohibited from applying for the JCG:

- units of local, state, or federal government
- nonprofits, other than those classified as NAICS 813910 and 813920
- positions: personal service, food and beverage, and retail

Grant Term:

Grants are awarded for 5-year periods beginning with the first grant year in which a JCG was awarded. To be eligible in years 2-5, the firm must maintain or increase the number eligible permanent full-time positions (above the four-job threshold) over base year employment. Firms may apply for a subsequent 5-year period given they meet the grant eligibility requirements. See **page 19** under JCG definitions for more information on subsequent 5-year periods.

Grant Calculations:

JCG awards are determined by the wages paid and the number of months positions were filled during the Grant Year. Grants are available in amounts of:

- Up to $500 per grant-eligible position filled by an employee earning at least 150% minimum wage (125% for businesses in HUAs and SWaM-certified businesses) who meets all other eligibility requirements (including offered health benefits)
- Up to $800 per grant-eligible position filled by an employee earning 175% of the minimum wage who meets all other eligibility requirements (including offered health benefits)

- Firms can receive grants for up to 350 positions per year

HIGH UNEMPLOYMENT AREAS (HUAS)

Any business applying as an HUA applicant must enter all required information into the EZ Application Submission System and complete and upload the **JCG-HUA/SWaM Worksheet**. These documents are specifically tailored to accommodate the reduced wage rate threshold.

Zone Name	Zone #
City of Martinsville	36 and 54
Pulaski County	25
City of Danville	1 and 57
Northumberland County	50
City of Emporia	43
Greensville County	43
Tazewell County	44

Businesses located in HUAs are eligible to apply for the JCG at the reduced wage rate threshold of $15.51/hour or 125% of minimum wage.

The following localities in joint zones with the HUAs on the left are NOT HUAs:

Henry County
Pittsylvania County
Lancaster County
Richmond County
Westmoreland County
Town of Kilmarnock
Town of Warsaw
City of Radford

Any existing business that has previously applied for the JCG as an HUA applicant in one of these zones may continue to qualify at 125% of the minimum wage for the remainder of their 5-year grant period. Any new businesses applying for the JCG in these zones must pay at least 125% of the minimum wage to qualify.

SWAM-CERTIFIED BUSINESSES

2021 legislation passed allows for **SWaM-certified (Small, Women-owned, and Minority owned) businesses to be eligible to use the reduced wage threshold (125% minimum wage=$15.51/hour) to qualify for the $500 grant amount.** To be eligible at the reduced wage threshold, the company must have been SWaM-certified in calendar year 2026. SWaM certified businesses must select the appropriate box on the online application indicating that the application is for a SWaM-certified business and must complete the **JCG-HUA/SWaM Worksheet.**

- Look up whether a business is SWaM-certified on the online directory: **directory.sbsd.virginia.gov/#/executiveExport**

REQUIRED JCG MATERIALS

EZ Application System

Applicants must submit their application, and all required supporting documentation electronically through the EZ Online Submission System.

- Commonwealth of Virginia FORM W-9

- Local Zone Administrator (LZA) Review Form
- Applicant Declaration Form
- JCG Worksheets or JCG-HUA/SWaM Worksheets
  (In year one, all firms are required to submit Sheets 1 and 2 from the JCG Worksheet. In years 2-5, only firms that are exempt from the attestation are required to submit the JCG Worksheets 1 and 2.)
- CPA Attestation Report Form (if applicable)
  (As provided in §59.1-547, A CPA attestation is a required component to ALL JCG applications except: When the applicant has a Base Year employment ≤ 100 PFTP AND Grant-Eligible positions ≤ 25 PFTP.)

Applicants should print and retain the application for their records. To print the application before submitting, the user may use the "print" function in their browser. For example, in Chrome, click the three vertical dots on the right-top corner, then select "print" from the popup menu. Applicants can also print after submission. Details and instructions regarding each of the listed application materials are included in the following sections. All supplemental forms are available on the EZ Online Submission System site at: **dmz1.dhcd.virginia.gov/EZonePortal/Default.aspx**

Submission Deadline

All application materials are due by **11:59 p.m. on April 1, 2027.**

RECORD KEEPING REQUIREMENTS

DHCD may at any time review an applicant's records related to qualification under this section to assure that information provided in the application process is accurate. Qualified Zone Investors shall maintain all documentation regarding JCG qualification for a minimum of **3 years** following the receipt of the grant.

All JCG grantees are monitored for their first grant year. Job Creation Grants that do not have adequate documentation regarding permanent full-time positions, **report to work** criteria, wage rates, or the provision of health benefits may be subject to repayment. The digital version along with a hard copy print out must be kept on file and accessible with other grant request records.

CPA ATTESTATION RESPONSIBILITIES

The Job Creation Grant attestation procedures outlined in the following pages are structured to ensure that:

- The company is not a **personal service** or a **food and beverage** or **retail** establishment, as such businesses are prohibited from applying for the grant;

- The company only includes permanent full-time positions (PFTP) in the Base Year and Grant Year on the JCG and JCG-HUA/SWaM Worksheet and that the wage rates for the net new equivalent PFTPs in the Grant Year are accurately indicated; and
- Employment dates and wage rates for positions listed on the JCG and JCG-HUA/SWaM Worksheet are accurate and identical to the information on payroll and personnel documentation.

Can the CPA prepare the application and accompanying materials and attest?

Professional standards (AICPA) provide that a CPA can offer assistance provided the CPA does not assume management responsibilities, such as making management decisions or performing any management functions. The decision to follow any advice provided remains with management of the entity.

JCG APPLICANT RESPONSIBILITIES

The business firm will provide the CPA with the following:

- The **JCG and JCG-HUA/SWaM Worksheet** include all employees filling permanent full-time positions in the Base Year (in alphabetical order) followed by all employees filling permanent full-time positions in the Grant Year **(in alphabetical order)**. Failure to provide a complete and accurate list of all employees, the dates they were employed, and their wage rates may result in an under- or overpayment of grant funds. **The Commonwealth will require the grantee to return any overpayment to the Treasurer of Virginia.**
    - **Employees receiving raises (or decreases) in pay during the Grant Year must be listed on a separate line for each wage fluctuation. Applicants may not use their average wage rate OR ending wage rate to represent an employee's annual wages.**
- **I-9s and paystub/payroll records** indicating the first work date, last work date, and wage rates in the Base Year and Grant Year for each employee listed on the JCG Online Worksheet, where applicable.
- **Health benefits documentation (including written benefit waivers).**
- **The business firm representative must provide his/her signature on the Applicant Declaration Form and submit as an uploaded document in Part IV of the online application.**

JCG AGREED-UPON PROCEDURES

Procedure 1 | Attestation Regarding Prohibited Positions

The CPA will read the NAICS code listed on the Online Application or Sample Application (Part I, Box 5) to determine that the NAICS code listed on the application is one other than NAICS 441-454 (**retail**); 722 (**food/beverage**) or 812 (**personal service**), which are NOT eligible to receive JCG.

A business is not a retail business, but has retail positions. Is this firm eligible for the Job Creation Grant?

Yes, but only positions that are not retail, food and beverage, or personal service can be included in the JCG/JCG-HUA Worksheet for the purposes of qualifying for the Job Creation Grant.

Procedure 2 | Attestation of Permanent Full-Time Positions

The CPA will follow the sampling procedure explained below to obtain employment documentation and the **JCG/JCG-HUA Worksheet** for **Employees Filling Permanent Full-Time Positions (EF- PFTPs)** during the Base Year permanent full-time positions:

Rules for Sampling: The Base Year and Grant Year employee sample is REQUIRED FOR YEAR 1 APPLICANTS. If applying for years 2-5 of the JCG, only GRANT YEAR sampling is required. The following procedures should be used in establishing a sample of PFTPs:

- **Firms with 100 or fewer Employees Filling Permanent Full-time Positions (EF-PFTPs**
  - The CPA will obtain a random sample of the documentation for 20 EF-PFTPs on the worksheet and read to ensure the start/end work dates for such employees agrees without exception to the information provided on payroll records using the random sampling techniques established below. If there are 20 or fewer EF-PFTPs, the documentation and worksheet calculations for all employees will be included in the CPA's sample.
- **Firms with More than 100 Employees Filling Permanent Full-time Positions (EF-PFTPs)**
  - For firms with more than 100 EF-PFTPs on the worksheet, the CPA will obtain a random sampling of payroll records and health benefits documentation for 20 percent of all employees shown. The CPA will ensure the start/end work dates for such employees agrees without exception to the information provided on payroll records using the random sampling techniques established below.

Random Sampling

The CPA will obtain a random sampling for the greater of 20 employees or 20 percent of employees listed on the worksheet based on the above criteria. The random sampling will be based on the use of a table of random numbers. The CPA will first assign each employee listed on the JCG Worksheet a unique identification number. Then, the CPA will select cases for the 20 employees or 20 percent sample when their identification numbers correspond to the number chosen from the table. The CPA will indicate in Column B of the JCG Worksheet which employees have been selected to be sampled. The CPA will stop selecting cases when they have reached the desired sample size. If an identification number is selected more than once, the CPA will ignore the repeats.

Non-reconciled errors

Should the CPA find any non-reconcilable errors (any unexplained difference between information on the documentation provided and what is entered on the Worksheet) in the sample population, the CPA should repeatedly select another 20 employees or 20 percent sample from the original population until the subsequent sample produces no nonreconcilable errors. The CPA shall submit by name any non-reconcilable errors found during this procedure in the attestation report. If the client chooses to revise the Worksheet and application to remove the non-reconcilable item(s), the CPA shall read to ensure that the revised Worksheet has omitted the non-reconcilable item(s) and that there are no resulting changes from the original Online Worksheet.

Procedure 3 | Attestation and Required Documentation

Using the applicable sampling technique indicated in Procedure 1, the CPA will compare the JCG/JCG-HUA Worksheet for Base and Grant Year employment information listed on the Worksheets to the required documentation (I-9, first payroll, last payroll for Base Year and/or Grant Year, and health benefits enrollment information) provided by the company. In the case of a business in a qualification year other than its first year, the sample should only include the Grant Year information. The Base Year employment should only be sampled in the first Grant Year along with Grant Year employment, as the base year employment should match that presented on the first grant year application. The CPA will report any missing documentation and any discrepancies between the employment documents and the JCG/JCG-HUA Worksheet.

Employees should only be listed on the JCG Online Worksheet one time UNLESS:
- **They have worked two or more separate times in the Base or Grant Year.**
- **The grant-year employee's wage fluctuated during the Grant Year.**

To accurately calculate grant awards, separate rows should be included showing the start date and end date for each separate employment period or wage fluctuation (grant year employees only) based on the employee's I-9 or payroll record documentation.

Since the JCG and JCG-HUA/SWaM Online Worksheet is equipped with formulas to apportion the eligible months employees were earning at least 150% of the minimum wage or 125% in HUAs or for SWaM-certified businesses, please note that employees should only be listed more than once if the business firm increased/decreased the employee's wage rate (irrespective of the increase in the federal minimum wage).

A. **I-9:** The CPA will obtain the sample population's I-9s to determine the Base Year and/ or Grant Year employee's name, social security number, address, and start date of employment. In cases where the I-9 was signed prior to the actual hire date (for example, required as part of the job application), the CPA will read and compare the I-9 in conjunction with the supporting employee payroll documentation and attest to the hire date of the employee. Electronic I-9 forms completed and verified by the employer using the U.S. Government E-verify website may be used in lieu of paper I-9s.

B. **Payroll records for Base Year and/or Grant Year employees** (first and last payroll records for the time the employee worked in the Base Year and/or Grant Year). The CPA will complete the following procedures:

1. Compare the employee's name and employee number (where assigned) with the information included on the Worksheet.
2. Compare records to attest that the first and last work date for each employee within Base Year and/or Grant Year correspond to those dates listed for the employee on the Worksheet.
3. Compare the **wage rates** as indicated on the first and last payroll records for those sampled employees hired in the Grant Year (i.e. net new employees) with the specific wage rates listed in column O of the JCG Worksheet and report any differences. **If an employee received raises (or a decrease) in pay during the Grant Year, the employee MUST be listed on a separate line for each wage fluctuation. DO NOT use their average wage rate OR ending wage rate. The CPA will use the Worksheet and determine that employees with wage fluctuations during the Grant Year have been listed in the spreadsheet as many times as payroll records show wage fluctuations.**
    a. For sampled employees with information in column(s) P, Q, R and/or S, the CPA will read the employment documentation to determine that the employees reflected on the Worksheet are permanent and full-time.
4. If the sampled employee's wage rate was converted from salary to hourly, the CPA will determine that it is mathematically correct by dividing the annual salary, inclusive of shift premiums and commissions by 1,820 hours.

C. **Health benefits information:**

1. The CPA will obtain and read the **signed health benefits enrollment** agreements and compare insurance coverage materials indicating employer contribution to payroll documents indicating employee contribution to health care premiums, and to payroll documents indicating employee deductions. The CPA should compare the individual employee information on these documents to the information presented in Column N indicating they were offered/received health benefits **and** for which wages are listed in Column O (as such employees are net new over the Base Year employment), and report on these findings. The CPA should report all

instances where the firm does not offer to contribute at least 50% of the cost of the health insurance premium.

2. For employees filling grant-eligible PFTPs that have declined health insurance coverage, the CPA will obtain and read the employees' **signed waiver of health benefits**. For firms that self-insure their employees' medical claims, a copy of the firm's policy signed by the EF-PFTP (with wages listed in Column O) is acceptable documentation.

A business does not make health insurance benefits available for new permanent full-time positions until after a 90-day employment period. How should this be documented on the JCG/ JCG-HUA Online Worksheet?

The initial 90-day employment period during which health benefits were not available can be included in the Worksheet. The firm should list the first date and last date the employee filling the net new permanent full-time position met the wage requirement for those employees whose health benefits were effective after a specified employment period, provided they were offered by the start date.

Procedure 4 | Attestation of Grant-Eligible Positions with Qualifying Wage Rates and Health Benefits

The CPA will read the qualification information on Part II of the online application or sample application page to compare whether the information entered on Part II, Boxes 4 A-B and Boxes 5 E-F corresponds with the auto-calculated values in the following cells of second sheet of the Worksheet: B3, B4, B5, and B6 (respectively) and indicate any discrepancies in the Attestation Report.

DEFINITIONS FOR JOB CREATION GRANTS

Agreed-Upon Procedures engagement:
An engagement between an independent Certified Public Accountant licensed by the Commonwealth and the business or qualified zone investor seeking to qualify for Enterprise Zone incentive grants whereby the independent Certified Public Accountant, using procedures specified by the Department, will apply tests and report regarding the assertion of the business or qualified zone investor in connection with its qualification to receive the Enterprise Zone incentive pursuant to § 59.1-549 of the Code of Virginia.

Base Year, for wage-based Job Creation Grants:
Either of the two calendar years immediately preceding the firm's first year of grant eligibility, at the choice of the business firm.

Bonus:
A payment made in addition to the employee's regular earnings.

Business firm:
Any corporation, partnership, electing small business (subchapter S) corporation, limited liability company, or sole proprietorship authorized to do business in the Commonwealth of Virginia. This shall also include business and professional organizations and associations whose classification falls under sectors 813910 and 813910 of the North American Industry Classification System (NAICS) and that generate the majority of their revenue from customers outside the Commonwealth.

Commission:
The compensation paid to an employee after completing a task, which is usually selling a certain amount of goods or services.

Common control:
Such firms as defined by Internal Revenue Code § 52(b).

Food and beverage service:
A business whose classification falls under subsector 722 Food Services and Drinking Places of North American Industry Classification Systems (NAICS).

Full month:
The number of days that the permanent full-time position must be filled in order to count in the calculation of the grant amount. A full month is equivalent to 30.416666 days.

Grant-eligible position:
A new permanent full-time position created above the threshold number at an eligible business firm. Positions in retail, personal service or food and beverage service shall not be grant-eligible positions.

Health benefits:
At a minimum, medical insurance is offered to employees and the employer shall offer to pay at least 50 percent of the cost of the premium at the time of employment and annually thereafter.

High Unemployment Areas (HUA):
Enterprise Zone localities with unemployment rates one and one-half times or more than state average based on the most recent annualized unemployment data published by the Virginia Employment Commission.

Independent Certified Public Accountant:
A public accountant certified and licensed by the Commonwealth of Virginia who is independent of the entity 'in fact' and in appearance. The CPA must comply with the independence requirements in the AICPA Code of Professional Conduct. Potential scenarios that may impair a CPA's independence include financial interest in the client, business

relationships with the client, family or personal ownership of or employment by the client (present or former), and being on the Board of Directors or a Trustee of the client. This list is not all-inclusive and other situations may arise that impair the independence of the CPA.

Local Zone Administrator:
The chief executive of the city or county in which an Enterprise Zone is located, or his or her designee. Pursuant to Enterprise Zone designations made prior to July 1, 2005, this shall include towns.

Minimum Wage:
The federal minimum wage or the Virginia minimum wage, whichever is higher as determined for the current calendar year as of December 1 of the prior calendar year by the department. Such determination will be continuously in effect throughout the calendar year, regardless of changes to the federal minimum wage or the Virginia minimum wage during that year, according to the Virginia Code (13VAC5-112-10).

Permanent full-time position:
A job of indefinite duration at a business firm located in an enterprise zone, requiring the employee to **report to work** within the enterprise zone; and requiring (i) a minimum of 35 hours of an employee's time per week for the entire normal year of a business firm's operation, which a normal year must consist of 48 weeks, (ii) a minimum of 35 hours of an employee's time per week for the portion of the calendar year in which the employee was initially hired for or transferred to the business firm, or (iii) a minimum of 1,680 hours per year. Such positions shall not include: (i) seasonal, temporary, or contract positions, (ii) a position created when a job function is shifted from an existing location in the Commonwealth to a business firm located with an Enterprise Zone, (iii) any position that previously existed in the Commonwealth, or (iv) positions created by a business that is simultaneously closing facilities in other areas of the Commonwealth.

Personal Service:
Such positions as classified under NAICS 812.

Regular basis:
At least once a month as related to "report to work" requirements for the wage-based job creation grants.

Related party:
Those as defined by Internal Revenue Code § 267(b).

Report to work:
That the employee filling a permanent full-time position reports to the business' zone establishment on a **regular basis.**

Retail:
A business whose classification falls under sector 44-45 Retail Trade of the North American Industry Classification System (NAICS).

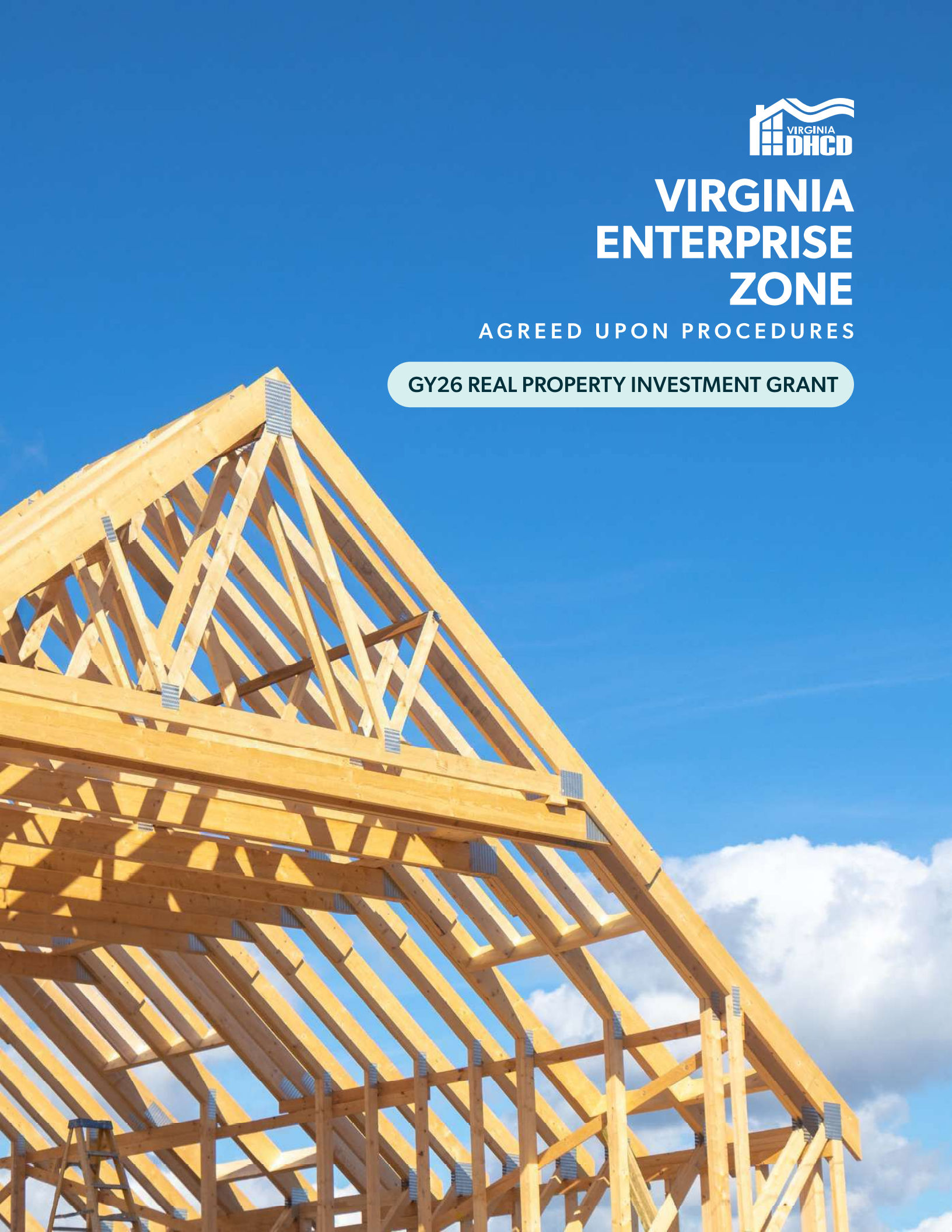
Seasonal employee:
Any employee who normally works on a full-time basis and whose customary annual employment is less than nine months. For example, individuals hired by a CPA firm during the tax return season in order to process returns who work full-time over a three-month period are seasonal employees.

Subsequent Base Year:
The Base Year for calculating the number of grant-eligible positions in a second or subsequent five consecutive calendar year grant period. If a second or subsequent five-year grant period is requested within two years after the previous five-year grant period, the subsequent Base Year will be the firm's last Grant Year. The calculation of this subsequent Base Year employment will be determined by the number of permanent full-time positions in the preceding Base Year, plus the number of threshold positions, plus the number of granteligible positions in the final year of the previous grant period. If a business firm applies for a subsequent five- consecutive-year grant period beyond the two years immediately following the completion of the previous five-year grant period, the business firm shall use one of the two preceding calendar years as subsequent Base Year, at the choice of the business firm.

Threshold number:
An increase of four permanent full-time positions over the number of permanent full-time positions in the Base Year or subsequent Base Year.

Transferred employee:
An employee of a firm in Virginia that is relocated to an enterprise zone facility owned or operated by that firm.

Wage rate:
The hourly wage paid to an employee inclusive of shift premiums and commissions. In the case of salaried employees, the hourly wage rate shall be determined by dividing the annual salary, inclusive of shift premiums and commissions by 1,820 hours. Bonuses, overtime, and tips are not to be included in the determination of wage rate.



VIRGINIA ENTERPRISE ZONE

AGREED UPON PROCEDURES

GY26 REAL PROPERTY INVESTMENT GRANT

SUMMARY ELIGIBILITY REQUIREMENTS

To be eligible, properties must be located in the boundaries of an Enterprise Zone. To determine whether your property is located in an EZ, contact your locality's Economic Development Department.

ELIGIBLE INVESTORS/GRANTEES:

- Owns building (occupant)
- Owns building (non-occupant)
- Owns space in building (office condo)
- Tenant
- Developer

ELIGIBLE PROPERTY TYPES:

- Building
- Facility

ELIGIBLE PROPERTY USES:

- Industrial
- Commercial (includes office space)
- Mixed-use (at least 30% of the usable
- floor space must be industrial or
- commercial to be eligible)

ELIGIBLE INVESTMENTS:

- Rehabilitation or expansion
- New construction
- Solar-only (meaning solar is the only
- component added to the building or
- facility)
- Rehabilitation/expansion with solar
- New construction with solar

INVESTMENT THRESHOLDS:

- **Rehabilitation or expansion**-total amount of improvements must exceed $100,000 in Qualified Real Property Investments (QRPI) to be eligible
- **New construction**-total amount of improvements must exceed $500,000 in QRPI to be eligible
- **Solar-only** – no minimum threshold
- **Rehabilitation/expansion with solar** – if solar investment is more than $50,000, the total amount of improvements must exceed $50,000 in QRPI to be eligible
- **New construction with solar** – if solar investment is more than $50,000, the total amount of improvements must exceed $450,000 in QRPI to be eligible

GRANT CAP AND CALCULATIONS:

- Grants based on amount of **qualified real property investment (QRPI)** – hard construction costs (full list in the RPIG manual)
- Grants up to **20% of the QRPI up to $100,000** per building/facility for QRPIs ≤$5M in a 5-year period (less the threshold amount)
- Grants up to **20% of the QRPI up to $200,000** per building/facility for QRPIS >$5M but ≤ $20M in a 5-year period (less the threshold amount)
- Grants up to **25% of the QRPI up to $300,000** per building/facility for QRPIs >$20M in a 5-year period (less the threshold amount)
- Real property investment expenditures funded by federal, state, or localgrants are **NOT ELIGIBLE** for an RPIG and must be **excluded** from the application.

REQUIRED APPLICATION MATERIALS

EZ Application System

Applicants must submit their application and all required supporting documentation electronically through the EZ Online Submission System.

- Commonwealth of Virginia Form W-9 (federal IRS form NOT accepted)
- Local Zone Administrator (LZA) Review Form
- Applicant Declaration Form
- Final Placed-in-Service Document
- CPA Attestation Report Form
- Supplemental Forms: (*if applicable)
    - FORM EZ-RPIG Multiple Owner*
    - FORM EZ-RPIG Tenant-Owner Consent*
    - FORM EZ-RPIG Tenant Coordination*
    - FORM EZ-RPIG Mixed-Use*

Applicants should print and retain the application for their records. To print the application before submitting, the user may use the "print" function in their browser. For example, on Chrome, click the three vertical dots on the right-top corner, then select "print" from the popup menu. Applicants can also print after submission. Details and instructions regarding each of the listed application materials are included in the following sections. All supplemental forms are available on the EZ Online Submission System site at: **dmz1.dhcd.virginia.gov/EZonePortal/Default.aspx**

Submission Deadline

All application materials are due by **11:59 p.m. on April 1, 2027**.

Record Keeping Requirements

DHCD may at any time review an applicant's records related to qualification under this section to assure that information provided in the application process is accurate. Qualified Zone Investors shall maintain all documentation regarding RPIG qualification for a minimum of three years following the receipt of the grant. Real Property Investment Grantees are monitored annually by DHCD at random. Grants that do not have adequate documentation regarding qualified real property investments may be subject to repayment.

CPA ATTESTATION RESPONSIBILITIES

CPAs will apply the procedures specified in this document to satisfy the attestation requirement of the Code of Virginia § 59.1-549 Policies and Procedures for allocation of Enterprise Zone grants. This attestation should report on the following:

- The zone investor only includes **qualifying real property investments** and that all costs listed on the schedule on the Itemized List of Qualified Real Property Investments

document were either capitalized or expensed by the **qualified zone investor**. Further, the itemized list should exclude real property investments that were funded from public grants from federal, state, or local sources;
- The real property for which the qualified real property investments were made has been placed in service during the applicable Grant Year (2026);
- In the case of mixed-use buildings, the square footage information and use is accurately indicated on the supplemental form, EZ-RPIG Mixed-Use;
- And, in the case of zone investors owning a space within a building or zone investors applying as tenants, the square footage information is accurately indicated on the supplemental form(s) and the grant application process has been coordinated with all other owners/tenants within the building. For more information regarding the required steps of coordination, see Pages 10-11 and 31 of the Real Property Investment Grant Instruction Manual.

RPIG APPLICANT RESPONSIBILITIES

The zone investor will provide the CPA with the following:

- The Real Property Investment Grant information required to complete the online application and all other required attachments (a sample application page can be downloaded and used for this purpose but is not a required document to be uploaded);
- **All invoices and receipts** for qualified real property investments **capitalized or expended** by the zone investor;
- The final **placed-in-service** documentation issued by the locality for the completed real property improvements;
- For **mixed-use** buildings, **the measured drawings** for the building indicating the square footage and use of the building;
- For zone investors applying as owners of space within a building, **the closing documents** or deed of trust indicating the building's square footage;
- For zone investors applying as tenants, **the current lease agreement** indicating the building's square footage.

RPIG AGREED-UPON PROCEDURES

Procedure 1 | Attestation of Completed Application

The CPA will read the Real Property Investment Grant Application and report that all required documents listed below, where applicable, have been appropriately included in the application, and the Applicant Declaration Form has been signed and completed. Required documentation is as follows:

1. Completed and signed **Commonwealth of Virginia W-9**;
2. Signed Local Zone Administrator Form;
3. Signed Applicant Declaration Form;

4. Copy of final placed in service documentation;
   - **Final Placed-in-Service Documentation** for the same physical address as referenced on the application and approval/issuance date within the current Grant Year (2026).
5. Completed, signed and seal/notarized supplemental form for a mixed-use building (if applicable);
   - For **mixed-use** buildings, **the supplemental Form EZ-RPIG Mixed-Use** must be filled out to indicate the **usable floor space** in the building (by use). The form will be completed by the individual/firm that prepared the measured drawings/plans submitted to the local building official to obtain necessary permits for improvements to the mixed-use building. If the preparer cannot be contacted, the applicant may obtain Third Party Verification by a licensed, independent third party. The useable floor space as documented on the measured drawings must be indicated on this form. The form must also include a statement to be signed by the preparer of the measured drawings. Stamped and sealed measured drawings will be provided to DHCD at their request. If they are not provided at DHCD's request, the applicant may be denied a grant.
6. Completed, signed, and notarized supplemental form for owners of space in building (if applicable);
   - For buildings with multiple owners, supplemental **Form EZ-RPIG Multiple-Owner** must be filled out to indicate the useable floor space occupied by each owner. The applicant completing the form will need to obtain information on the total building square footage if not specified in the closing documents (condo owner). The form must include coordination with all other owner(s) of space within the building; otherwise DHCD will use proration procedures to determine the grant amount based on the level of investment made to the building and the percentage of the useable floor space owned by the applicant.
7. Completed, signed, and notarized supplemental consent forms for a tenant in a building (if applicable);
   - For buildings with one or more tenants, supplemental Form **EZ-RPIG Tenant-Owner Consent** must be filled out to obtain the owner's consent to apply for grant funds. The owner can either give unconditional consent or may require the applicant tenant to coordinate with all other tenants within the building/facility. The owner's signature must be notarized. The applicant completing the form will need to contact the building owner/management company to obtain information on the total building square footage if not specified in the current lease agreement.
   - If the owner of the building/facility has required tenant coordination, supplemental Form **EZ-RPIG Tenant Coordination** must be filled out to indicate the useable floor space occupied by each tenant. The applicant completing the

form will need to contact the building owner/management company to obtain information on the total building square footage if not specified in the current lease agreement (tenant). The form will be completed to include coordination with all other tenants(s) of space in the building otherwise DHCD will use proration procedures to determine the prorated grant amount based on the level of investment made to the building and the percentage of the useable floor space leased by the applicant.

Procedure 2 | Attestation of Qualified Real Property Investments

The CPA will read the schedule of **Qualified Real Property Investments** included in Part III of the RPIG Application, as well as supporting documentation in the form of invoices, receipts, contracts, etc. to compare the classification of costs on Part III of the schedule to the cost categories listed in the Real Property Investment Grant Manual and report any non-qualified cost categories; to compare the amount and type of qualified real property investments listed on the schedule to supporting documentation noted above and report differences; and to compare that the total cost of qualified real property investments indicated on the invoices or receipts to the amount reported by the zone investor and report differences. The CPA will obtain management's written representation from the Zone Investor to determine that federal, state, and local source grant monies were not used to obtain the real property investments;

A. The CPA will obtain and read the schedule of **Qualified Real Property Investments** (Part III of the RPIG Application) including the cost categories qualifying for the Enterprise Zone "qualified real property investments" per § 59.1-548. (Enterprise zone real property investment grants) of the Code of Virginia, and 13VAC5-112 of the Virginia Administrative Code, which defines Qualified Real Property Investment as "the amount expended for improvements to rehabilitate, expand or construct depreciable real property placed in service during the calendar year within an enterprise zone provided that the total amount of such improvements equals or exceeds (i) $100,000 with respect to a single building or a facility in the case of rehabilitation or expansion ($50,000 for projects that include solar panels and installation costs totaling $50,000 or more); (ii) $500,000 with respect to a single building or a facility in the case of new construction ($450,000 for projects that include solar panels and installation costs totaling $50,000 or more); OR (iii) projects with no minimum threshold are solely solar panels and installation costs. Qualified real property investments include expenditures associated with (a) any exterior, interior, structural, mechanical or electrical improvements necessary to construct, expand or rehabilitate a building for commercial, industrial or mixed use; (b) excavations; (c) grading and paving; (d) installing driveways; and (e) landscaping or land improvements. Qualified real property investments shall include, but not be limited to, costs associated with demolition, carpentry, sheetrock, plaster, painting, ceilings, fixtures, doors, windows, fire suppression systems, roofing, flashing, exterior repair, cleaning, cleanup, and solar panels and installation costs." Qualified real property investment includes any such expenditure regardless of whether it is

considered properly chargeable to a capital account or deductible as a business expense under federal Treasury regulations.

B. In the case of cost categories listed on the schedule of Qualified Real Property Investments that include more than one type of work (such as drywall and demolition), a breakdown of the work included in such category will be obtained by the CPA and read to compare and confirm that all cost categories are Qualified Real Property Investments according to § 59.1-548A of the Code of Virginia. The CPA will report any items whose qualifications are uncertain, including the exact dollar amount of the corresponding qualified real property investments submitted on the RPIG Application.
C. The CPA will compare Part III-Qualified Real Property Investments of the RPIG Application to the general ledger entries to determine that the items and costs listed on the schedule were charged to the appropriate capital (asset) account or expense account. The CPA will read the schedule and include in findings any items that are not charged to the capital account or expense account. In cases where not all qualified real property investments under the Final Certificate of Occupancy (CO) charged to the capital account or expensed have been paid for, a charge to a capital account or an expense account with a corresponding recorded entry to a liability account and proof of subsequent payment thereof within 60 days of the calendar year end is satisfactory proof to count those qualified real property investments.
D. The CPA will obtain and read 100 percent of the invoices, receipts, AIA reports, and any other relevant documentation of construction expenses. The CPA shall compare these documents to the dollar values presented on the schedule of Qualified Real Property Investments and report on whether the charges agree.
E. The CPA shall obtain and read the schedule of Qualified Real Property Investments and the contents of their Attestation Report, to determine whether the total Qualified Real Property Investment reported on the RPIG Application meets the minimum investment threshold, as established by § 59.1-548. Enterprise zone Real Property Investment Grants.
F. The CPA shall inquire of the source of all grant monies used to fund the Qualified Real Property Investment, by obtaining management representation, to determine that federal, state, and local source grants of public funds were not used to purchase items on the RPIG Application.

Procedure 3 | Attestation of Placed in Service Documentation

The CPA will read the Placed-In-Service Documentation which indicates that work is complete and up to code as evidenced by the "placed in service date" (the date of the final CO, final building inspection, or the date of the third-party inspection report for the building). The "placed in service date" dictates the calendar year in which the qualified zone investor applies for the grant.

For All Types of Placed in Service Documentation

A. The CPA will read to confirm that the placed in-service document is final and does not indicate "temporary" or "pending". The CPA will report if the placed in-service documentation indicates other than final.
B. In cases in which the final placed in service documentation issued was only for a portion of the building/facility (for example, a CO for the first floor in a four-story building), the CPA will read the qualified real property investment amount listed on Part IV, Box 3A of the RPIG Application and supporting documentation obtained in Procedure 2, and report any expenses not related to work completed on the portion of the building/facility covered under the CO. The CPA may contact the agency that issues the final certificate of occupancy or inspection documentation to determine the scope of work approved in Placed in Service documentation.

When Placed in Service Documentation is a Final CO

A. The CPA will compare the physical address on the final Certificate of Occupancy (CO) for the building to determine it is the same physical address as listed on the RPIG Application.
B. The CPA will read the final CO to determine that the date of issuance is within Grant Year 2026.
C. The CPA will read the final CO to determine that it indicates that it was final, not temporary or pending. Applications will not be accepted for work done under a temporary, pending, or failed CO.
D. In the case of a shell CO, the CPA read the RPIG Application- Part I, Box 2 to determine that the zone investor is not a tenant of the building, unless they have completed the appropriate tenant owner consent form and attached it to the application.
E. The CPA will read the final CO to determine that the name listed on the final CO matches the name of the **qualified zone investor** on EZ-RPIG Part I, Box 1. If a different entity or individual is listed on the final CO, the CPA will determine that the required explanation of the relationship between the applicant and the entity listed on the CO has been included in Part II, Section B of the RPIG application.

When Placed in Service Documentation is a Final Building Inspection

A. In cases where the building was in continual service during the rehab/expansion work, or there was no change in use or final CO required, the CPA will read the final building inspection to determine that the physical address on the final building inspection is the same physical address as listed on the RPIG application.
B. The CPA will read the final building inspection to determine that the date of issuance is within the Grant Year.
C. The CPA will read the final building inspection report to determine that the final inspection is marked as approved and not pending or temporary. In cases in which localities issue multiple inspections for a project (building, electrical, mechanical, etc.), the CPA will read all final inspection documents to determine that all the inspections indicate they are fully approved/passed in order for the corresponding dollar amounts

under each inspection to be included in the total qualified real property investment amount.

D. The CPA will read the final building inspection to determine that the name listed on the final inspection matches the name of the qualified zone investor RPIG Application Part 1, Box 1. If a different entity or individual is listed on the final inspection, the CPA will determine that the required explanation of the relationship between the applicant and the entity listed on the final building inspection has been included in Part II, Section B of the RPIG application.

When Placed in Service Documentation is a Third-Party Licensed Inspector's Report

A. In cases where the locality did not require any building permits or other permits for ANY of the qualified real property investments listed on the schedule in Part III of the EZ-RPIG information entered online, the CPA will read an official letter from the building code official to determine that it references the physical address of the zone establishment, verifies building or trade permits were not required for the qualified investments, references the qualified real property investments for which the applicant is seeking the grant, and references the minimum acceptable qualifications for third party inspections based on Section 113.7.1 in the Code of Virginia.

B. The CPA will read the licensed third-party inspector's report to determine that the physical address on the report is the same physical address as listed in the RPIG Application information entered online.

C. The CPA will read the third-party inspector's report to determine that the date the report was issued was within the Grant Year.

D. The CPA will read the third-party inspector's report to determine that it indicates that all work was complete in the appropriate with no outstanding or failed items reported.

E. The CPA will read the licensed third-party inspector's report to determine that the name listed on the report matched the name of the qualified zone investor on RPIG Application Part I, Box 1 (which will be submitted electronically). If a different entity or individual is listed on the report, the CPA will determine that the required explanation of the relationship between the applicant and the entity listed on the third-party inspector's report has been include in Part II, Section B of the RPIG Application.

What is the required format of the Third-Party Inspector's Report?

Based on Section 113.7.1 ("Third-Party Inspectors") of the Virginia's Uniform Statewide Building Code: "Each building official charged with the enforcement of the USBC shall have a written policy establishing the minimum acceptable qualifications for third-party inspectors. The policy shall include the format and time frame required for submission of reports, any prequalification or pre-approval requirements and any other requirements and procedures established by the building official." Hence, the Third-Party Inspector's Report must meet the guidelines set forth by the local jurisdiction in which the project was completed.

Procedure 4 | Attestation of Square Footage for Mixed-Use Buildings

When building is mixed-use:

A. A. The CPA will read to determine that if the applicant has indicated "Mixed-Use" in Part I of the RPIG Application on Box 5, the applicant has provided the CPA with the supplemental Form EZ-RPIG Mixed-Use where Part II of the form has been "completed by the preparer (or the representative of the preparer) of the measured drawings/plans submitted to the locality" and that it contains the professional seal (AIA) or notarized signature of the preparer (or representative of the preparer) of the drawings, if not an architect. In the case where no formal drawings were required by the locality or the zone investor prepared their own measured drawings, the CPA will determine that a licensed third party architect or contractor has signed and sealed the form certifying that at least 30 percent of the useable floor space in the building is devoted to commercial, industrial, or office use. To determine that validity of an architect or contract license in the State of Virginia, the CPA should reference the Virginia Department of Professional and Occupational Regulations (**dpor.virginia.gov/LicenseLookup/**).

B. The CPA will determine that Part II, Box 4 of the Form EZ-RPIG Mixed-Use is mathematically correct based on information on Part II, Boxes 2a, 2b, and 3 and is at least 30 percent.

Procedure 5 | Attestation of Owners of Space in Building

When building has multiple owners of space in the building/facility (condo):

The CPA will determine that the square footage information indicated in the closing documents or deed of trust is accurately indicated on the supplemental form for zone investors who own space in a building. The qualified zone investor must provide the CPA with access to the closing documents or the deed of trust. Additionally, the CPA must determine that the zone investor has coordinated qualification with all other owners of the building; otherwise DHCD's proration procedures will be used to determine the grant amount. For more information regarding the required steps of coordination for owners of space within a building, see pages 10-11 and 32 of the Real Property Investment Grant Instruction Manual.

A. The CPA will determine that if the applicant has indicated "owns space in a building (i.e. office condo)" in Part I of the RPIG Application that a supplemental Form EZ-RPIG Multiple-Owner has been completed and signed by the applicant. The CPA should compare Part II Boxes 1 and 2 of the supplemental Form EZ-RPIG Multiple Owner to any backup documentation provided by the applicant (deed of trust or other closing documents) and report on these findings.

B. The CPA will determine that Part II, Box 3 of the supplemental form is mathematically correct.

C. The CPA will determine that information in Part III of the supplemental form agrees with the grant requested by the zone investor on RPIG Application indicating that either the grant request is being prorated or has been coordinated with all other owners of space in the building. In the case of coordination, the CPA will determine that all the building/facility's square footage has been accounted for by the other owners' notarized

signatures such that the sum of the square feet listed in Part III Box C and the square footage listed in Part II, Box 1 equals Part II, Box 2 (building's total square footage).

Procedure 6 | Attestation of Tenant(s) in a Building

When applicant firm is a tenant in the building/facility:

The CPA will determine that the square footage information indicated in the current lease agreement is accurately indicated on the supplemental form for buildings with tenant(s). The qualified zone investor must provide the CPA with access to the lease. Additionally, the purpose is to ensure that the zone investor has obtained the consent of the building owner and (if required by the owner) has coordinated qualification with all other tenants in the building, otherwise DHCD's proration procedures will be used to determine the appropriate grant amount.

A. The CPA will determine that if the applicant has indicated "tenant in building" in Part I of the RPIG Application in Box 2, a supplemental **Form EZ-RPIG Tenant-Owner Consent** has been completed and the applicant has provided the CPA with documentation (valid lease) that agrees with Part III Boxes 1 and 2 of the supplemental Form EZ-RPIG Tenant-Owner Consent.
B. The CPA will determine that Part IV and V of **Form EZ-RPIG Tenant-Owner Consent** have been completed whereby the owner of the building gives consent to the tenant to apply for the grant.
C. The CPA will determine that Part III, Box 3 of **Form EZ-RPIG Tenant-Owner Consent** is mathematically correct.
D. The CPA will determine that in the supplemental Form **EZ-RPIG Tenant-Owner Consent** agrees with the grant requested by the zone investor in the RPIG Application Part IV, Box 3D which indicates that the grant request is either being prorated, has been coordinated with all other owners/tenants within the building, or the owner has given consent without requiring coordination. In the case of coordination, the CPA will determine that the building/facility's square footage has been accounted for by the other owners' or tenants' notarized signatures such that the sum of the square feet listed in Part III Box C of the supplemental Form **EZ-RPIG Tenant Coordination** and the square footage listed in Part II, Box 1 equals Part II, Box 2 (building's total square footage).

Multi-Tenant/Owner Proration Formula

If the required coordination has not been performed, DHCD will implement its proration procedures for such buildings based on the usable floor space leased/owned by the zone investor. The maximum grant amount available will be determined by the cumulative qualified real property investments made to the building/facility within the consecutive five-year period starting with the qualification year in which a grant was first awarded.

- DHCD will then multiply the applicable grant cap by the percent of the building's useable floor space for which the tenant has a lease or for which the owner has a deed of trust (or other closing documents).
- The grant cannot exceed this amount or 20% of the applicant's qualified real property investment (not exceeding the investment threshold cap), whichever is less.

DEFINITIONS FOR REAL PROPERTY INVESTMENT GRANTS

Agreed-Upon Procedures engagement:
An engagement between an independent Certified Public Accountant licensed by the Commonwealth and the qualified zone investor seeking to qualify for Enterprise Zone incentive grants whereby the independent Certified Public Accountant, using procedures specified by the Department, will test and report regarding the assertion of the qualified zone investor in connection with its qualification to receive the Enterprise Zone incentive pursuant to § 59.1-549 of the Code of Virginia.

Building:
Any construction meeting the commonly ordinarily accepted meaning of the term (building, a usually roofed and walled structure built for permanent use) where 1) areas separated by interior floors or other horizontal assemblies; and 2) areas separated by fire walls or vertical assemblies shall not be construed to constitute separate buildings, irrespective of having separate addresses, ownership or tax assessment configurations, unless there is a property line contiguous with the fire wall or vertical assembly.

Capital lease:
A lease that meets one or more of the following criteria and as such is classified as a purchase by the lessee: the lease term is greater than 75 percent of the property's estimated economic life; the lease contains an option to purchase the property for less than fair market value; ownership of the property is transferred to the lessee at the end of the lease term; or the present value of the lease payments exceed 90 percent of the fair market value of the property.

- Special information for Tenant applicants: Investments to real property made under an operating lease do not qualify as investment capitalized by a tenant. Only leasehold improvements made directly by a tenant, or improvements made under a capital lease are considered grant-eligible.

Investment	Applicant
Leasehold improvements made directly by tenant	Tenant applies for RPIG
Improvements made under a capital lease	Tenant applies RPIG
Improvements paid for as part of an operating lease	Tenant may not apply for RPIG

Common control:
Those firms as defined by Internal Revenue Code § 52(b).

Expansion:
An increase in square footage or the footprint of an existing nonresidential building via a shared wall, or enlargement of an existing room or floor plan. Pursuant to Real Property Investment Grants, this includes mixed-use buildings.

Facility:
A complex of buildings, co-located at a single physical location within an Enterprise Zone, all of which are necessary to facilitate the conduct of the same trade or business. This definition applies to new construction, as well as to the rehabilitation and expansion of existing structures.

Independent Certified Public Accountant:
A public accountant certified and licensed by the Commonwealth of Virginia who is independent of the entity 'in fact' and in appearance. The CPA must comply with the independence requirements in the AICPA Code of Professional Conduct. Potential scenarios that may impair a CPA's independence include financial interest in the client, business relationships with the client, family or personal ownership of or employment by the client (present or former), and being on the Board of Directors or a Trustee of the client. This list is not all-inclusive and other situations may arise that impair the independence of the CPA.

Local Zone Administrator:
The chief executive of the city or county, in which an enterprise zone is located, or his or her designee. Pursuant to Enterprise Zone designations made prior to July 1, 2005, this shall include towns.

Mixed-use:
A building incorporating residential uses in which a minimum of 30 percent of the useable floor space will be devoted to commercial, office or industrial use. Buildings where less than 30 percent of the useable floor space is devoted to commercial, office, or industrial use shall be considered primarily residential in nature and shall not be eligible for the Real Property Investment Grant under 13 VAC 5-112-330. This definition applies only for the purpose of qualifying for Enterprise Zone incentives.

Mobilization:
Includes preparatory work and operations necessary for the movement of heavy equipment and supplies (construction supplies NOT office supplies) to the project site, necessary for work on the project.

New construction:
A single, nonresidential facility built on previously undeveloped land or a nonresidential structure built on the site/parcel of a previously razed structure with no remnants of the prior structure or physical connection to existing structures or outbuildings on the property. Pursuant to Real Property Investment Grants this shall include mixed-use buildings.

Placed in service:
The final Certificate of Occupancy has been issued or the final building inspection has been approved (as well as all associated trades inspections) by the local jurisdiction for real property improvements or real property investments, or in cases where a project does

not require permits, the licensed third-party inspector's report indicating that the project is complete.

Qualified real property investment:
The amount expended for improvements to rehabilitate, expand, or construct depreciable real property, regardless of whether it is considered properly chargeable to a capital account or deductible as a business expense under federal Treasury Regulations. The improvements must be placed in service during the calendar year within an Enterprise Zone provided that the total amount of such improvements equals or exceeds (i) $100,000 with respect to a single building or a facility in the case of rehabilitation or expansion or (ii) $500,000 with respect to a single building or a facility in the case of new construction. Qualified real property investments include expenditures associated with (a) any exterior, interior, structural, mechanical, or electrical improvements necessary to construct, expand or rehabilitate a building for commercial, industrial or mixed use; (b) excavations; (c) grading and paving; (d) installing driveways; and (e) landscaping or land improvements. Qualified real property investments shall include, but not be limited to, costs associated with demolition, carpentry, sheetrock, plaster, painting, ceilings, fixtures, doors, windows, fire suppression systems, roofing, flashing, exterior repair, solar panels, cleaning, and cleanup.

Consistent with the provisions of §13VAC5-112-340, Code of Virginia, beginning on January 1, 2020, the installation of solar panels shall be considered eligible investments for the purposes of the real property investment grants, provided that such solar installation investment is in an amount of at least $50,000 and the grant shall be calculated at a rate of 20 percent of the amount of qualified real property investments in excess of $450,000 in the case of construction of a new building or facility. Grants shall be calculated a rate of 20 percent of the amount of qualified real property investment in excess of $50,000 in the case of the rehabilitation or expansion of an existing building or facility. In the case where the grant is awarded based solely on solar investment, the grant shall be calculated at a rate of 20 percent of the amount of total qualified real property investments made in solar installation. For such properties eligible for real property investment grants made solely on the basis of solar installation investments of at least $50,000 but not more than $100,000, awards shall not exceed $1,000,000 in aggregate in any fiscal year.

Qualified real property investment shall not include: The cost of acquiring any real property or building; other costs including: (i) the cost of furnishings; (ii) any expenditure associated with appraisal, architectural, engineering, surveying, and interior design fees; (iii) loan fees, points, or capitalized interest; (iv) legal, accounting, realtor, sales and marketing, or other professional fees; (v) closing costs, permits, user fees, zoning fees, impact fees, and inspection fees; (vi) bids, insurance, signage, utilities, bonding, copying, rent loss, or temporary facilities incurred during construction; (vii) utility connection or access fees; (viii) outbuildings; (ix) the cost of any well or septic or sewer system; and (x) roads. The basis of any property: (i) for which a grant under this section was previously provided; (ii) for which a tax credit under § 59.1-280.1 of the Code of Virginia was previously granted; (iii) which was previously placed

in service in Virginia by the qualified zone investor, a related party as defined by Internal Revenue Code § 267 (b), or a trade or business under common control as defined by Internal Revenue Code § 52 (b); or (iv) which was previously in service in Virginia and has a basis in the hands of the person acquiring it, determined in whole or in part by reference to the basis of such property in the hands of the person from whom it was acquired or Internal Revenue Code §1014 (a).

Qualified zone investor:
An owner, tenant, or developer of real property located within an Enterprise Zone who expands, rehabilitates or constructs such real property for commercial, industrial or mixed use. In the case of a tenant, the amounts of qualified zone investment specified in this section shall relate to the proportion of the property for which the tenant holds a valid lease. Units of local, state and federal government or political subdivisions shall not be considered qualified zone investors.

Rehabilitation:
The alteration or renovation of all or part of an existing nonresidential building without an increase in square footage. Pursuant to Real Property Investment Grants this shall include mixed-use building.

Same trade or business:
The operations of a single company, related companies, or companies under common control.

Solar Panels:
The cost of solar equipment and shipping, supporting structural frames and foundations, fasteners, professional installer costs, and electricians. The costs of engineering, permits, and consulting fees do not qualify.

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804 371 7000

VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities

BOARD of HOUSING and COMMUNITY DEVELOPMENT
COMMONWEALTH OF VIRGINIA

At a regular meeting of the Board of Housing and Community Development held on Monday, October 19, 2026, at the hour of 10:00 a.m., the following resolution was unanimously adopted:

WHEREAS, Louie Berbert was appointed by Governor Glenn Youngkin and confirmed by the 2023 Virginia General Assembly to serve on the Board of Housing and Community Development for a term of four years; and

WHEREAS, He served the Board with distinction from 2022 until 2026, serving as Chair of the Board, Chair of the Housing and Community Development committee, Chair of the Statewide Fire Prevention Code Development committee, and on the Codes and Standards committee; and

WHEREAS, His commitment to the best interests of the Commonwealth coupled with his knowledge and experience made him an asset to this Board; and

WHEREAS, His effective advocacy of his perspective, along with his respectful consideration of the views of others rendered him an invaluable participant in the Board's deliberations; and

WHEREAS, His intelligence, integrity and dedication earned him the sincere respect and admiration of the members of this Board, its staff and all others associated with its activities; and

WHEREAS, His good humor, his wit and his graciousness added immeasurably to the pleasure and satisfaction derived from service on this Board; and

WHEREAS, The termination of his service with the Board deprives the Commonwealth of a distinguished and faithful public servant and this body of a valued member and good friend;

NOW, THEREFORE, BE IT RESOLVED, That the Board of Housing and Community Development does hereby express its gratitude to **Louie Berbert,** for his many contributions to this body and acknowledges with regret the loss of his company and good counsel.

BE IT FURTHER RESOLVED, That a copy of this resolution be spread upon the Minutes of this meeting and that a copy thereof be presented to **Louie Berbert** as a permanent testament of our affection, esteem, and high regard.

_____
Chair

_____
Vice Chair

BOARD of HOUSING and COMMUNITY DEVELOPMENT
COMMONWEALTH OF VIRGINIA

At a regular meeting of the Board of Housing and Community Development held on Monday, October 19, 2026, at the hour of 10:00 a.m., the following resolution was unanimously adopted:

WHEREAS, Keith Johnson was appointed by the Virginia Fire Services Board to serve on the Board of Housing and Community Development for a term of four years and was reappointed for another term of four years; and

WHEREAS, He served the Board with distinction from 2018 until 2026, serving on the Statewide Fire Prevention Code Development committee, the Housing and Community Development committee, and Codes and Standards committee; and

WHEREAS, His commitment to the best interests of the Commonwealth coupled with his knowledge and experience made him an asset to this Board; and

WHEREAS, His effective advocacy of his perspective, along with his respectful consideration of the views of others rendered him an invaluable participant in the Board's deliberations; and

WHEREAS, His intelligence, integrity and dedication earned him the sincere respect and admiration of the members of this Board, its staff and all others associated with its activities; and

WHEREAS, His good humor, his wit and his graciousness added immeasurably to the pleasure and satisfaction derived from service on this Board; and

WHEREAS, The termination of his service with the Board deprives the Commonwealth of a distinguished and faithful public servant and this body of a valued member and good friend;

NOW, THEREFORE, BE IT RESOLVED, That the Board of Housing and Community Development does hereby express its gratitude to **Keith Johnson**, for his many contributions to this body and acknowledges with regret the loss of his company and good counsel.

BE IT FURTHER RESOLVED, That a copy of this resolution be spread upon the Minutes of this meeting and that a copy thereof be presented to **Keith Johnson** as a permanent testament of our affection, esteem, and high regard.

_____
Chair

_____
Vice Chair

BOARD of HOUSING and COMMUNITY DEVELOPMENT
COMMONWEALTH OF VIRGINIA

At a regular meeting of the Board of Housing and Community Development held on Monday, October 19, 2026, at the hour of 10:00 a.m., the following resolution was unanimously adopted:

WHEREAS, Mark Trostle was appointed by Governor Glenn Youngkin and confirmed by the 2023 Virginia General Assembly to serve on the Board of Housing and Community Development for a term of four years; and

WHEREAS, He served the Board with distinction from 2022 until 2026, serving on the Housing and Community Development and Codes and Standards committees and

WHEREAS, His commitment to the best interests of the Commonwealth coupled with his knowledge and experience made him an asset to this Board; and

WHEREAS, His effective advocacy of his perspective, along with his respectful consideration of the views of others rendered him an invaluable participant in the Board's deliberations; and

WHEREAS, His intelligence, integrity and dedication earned him the sincere respect and admiration of the members of this Board, its staff and all others associated with its activities; and

WHEREAS, His good humor, his wit and his graciousness added immeasurably to the pleasure and satisfaction derived from service on this Board; and

WHEREAS, The termination of his service with the Board deprives the Commonwealth of a distinguished and faithful public servant and this body of a valued member and good friend;

NOW, THEREFORE, BE IT RESOLVED, That the Board of Housing and Community Development does hereby express its gratitude to **Mark Trostle**, for his many contributions to this body and acknowledges with regret the loss of his company and good counsel.

BE IT FURTHER RESOLVED, That a copy of this resolution be spread upon the Minutes of this meeting and that a copy thereof be presented to **Mark Trostle** as a permanent testament of our affection, esteem, and high regard.

_____
Chair

_____
Vice Chair