Glenn Youngkin
Governor

Caren Merrick
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

Bryan W. Horn
Director

March 5, 2025

MEMORANDUM

TO: Board of Housing and Community Development Members

FROM: Chase Sawyer

SUBJECT: Board of Housing and Community Development Meeting – March 10, 2025

Enclosed is the agenda and information package for the Board of Housing and Community Development meeting to be held on **Monday, March 10, 2025**. The Codes and Standards Committee will convene at 10:00 a.m., followed by the regular meeting of the Board. The Board meeting will be held at the **Virginia Housing Center** located in Innsbrook at 4224 Cox Road in Glen Allen, Virginia. Lunch will be provided during the meeting.

Please contact me as soon as possible to let me know whether you will or will not be able to attend. I can be reached at chase.sawyer@dhcd.virginia.gov or at 804-310-5872. Please let me know if you have any questions or if there is anything I can do to be of assistance.

Enclosure

AGENDA

BOARD OF HOUSING and COMMUNITY DEVELOPMENT
Codes and Standards Committee
Monday, March 10, 2025
10:00 AM
Virginia Housing Center
4224 Cox Road, Glen Allen, VA

Electronic Meeting Access: Click here to join the meeting
Meeting ID: 218 958 261 963 | Passcode: 9BT9LP3y
Call in (audio only) +1 434-230-0065 | Phone Conference ID: 107 720 066#

I.	OPENING	
	a. Call to Order	Committee Chair
	b. Roll Call	DHCD Staff
	c. Public Comment	Committee Chair
II.	CONSENT AGENDA	Committee Chair
	○ ***Approval of Minutes***: January 26, 2024	
	○ ***Approval of Minutes***: January 31, 2024	
III.	NOTICE OF INTENDED REGULATORY ACTION	DHCD Staff
	Action Items	
	○ *Uniform Statewide Building Code (USBC)*	
	○ *Statewide Fire Prevention Code (SFPC)*	
	○ *Industrialized Building Safety Regulations (IBSR)*	
	○ *Virginia Amusement Device Regulations (VADR)*	
	○ *Manufactured Home Safety Regulations (MHSR)*	
	○ *Virginia Certification Standards (VCS)*	
IV.	OTHER BUSINESS	Committee Members
V.	ADJOURNMENT	Committee Chair

AGENDA

BOARD OF HOUSING and COMMUNITY DEVELOPMENT
Monday, March 10, 2025
Virginia Housing Center
4224 Cox Road, Glen Allen, VA

The meeting will begin at the conclusion of the
Codes and Standards Committee meeting scheduled for 10:00 AM.

In addition to in-person public comment, there will be a virtual public comment option. 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 chase.sawyer@dhcd.virginia.gov to sign up for public comment.

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I.	OPENING	
	a. Call to Order	Chair
	b. Roll Call	DHCD Staff
	c. Public Comment	Chair
II.	CONSENT AGENDA ○ ***Approval of Minutes***: December 16, 2024	Chair

III.	REPORT OF THE CODES AND STANDARDS COMMITTEE
	Action Items
	○ *Notice of Intended Regulatory Action (NOIRA)*
	  ○ *Uniform Statewide Building Code (USBC)*
	  ○ *Statewide Fire Prevention Code (SFPC)*
	  ○ *Industrialized Building Safety Regulations (IBSR)*
	  ○ *Virginia Amusement Device Regulations (VADR)*
	  ○ *Manufactured Home Safety Regulations (MHSR)*
	  ○ *Virginia Certification Standards (VCS)*
		Committee Chair

IV.	INDUSTRIAL REVITALIZATION FUND PROGRAM GUIDELINES UPDATE FOR FY2026 ***Action Item***	DHCD Staff
V.	CONSOLIDATED AND ANNUAL ACTION PLAN UPDATE	DHCD Staff

VI.	PRIVATE ACTIVITY BOND UPDATE	DHCD Staff
VII.	LEGISLATIVE AND REGULATORY UPDATE ○ 2025 General Assembly Update ○ Technical Review Board Request Related to USBC Sprinkler Requirements for Group R-3 Buildings	DHCD Staff
VII.	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	Bryan Horn
VIII.	UNFINISHED BUSINESS	Board Members
IX.	NEW BUSINESS	Board Members
X.	BOARD MATTERS	Board Members
XI.	FUTURE BOARD MEETING DATES ○ May 12, 2025	Bryan Horn
XII.	ADJOURNMENT	Chair

BOARD OF HOUSING AND COMMUNITY DEVELOPMENT
Codes and Standards Committee
January 26, 2024
12:09 P.M.
Glen Allen, VA

Members Present	Members Absent
Richard Gregory	Louie Berbert
Sylvia Hallock	Claudia Cotton
Roger Jones	Sean Farrell
Larry Murphy	Lynne Goldberg
Mark Trostle	Abigail Johnson
Janet Wiglesworth	Keith Johnson
	J.M. Snell
	Scott Stosser

Call to Order

Mr. Richard Gregory, Chair of the Codes and Standards Committee, called the meeting to order at 12:09 p.m.

Roll Call

The roll was called by Mr. Chase Sawyer of the Department of Housing and Community Development Policy Office. Mr. Sawyer reported that a quorum was not present. Since a quorum was not present, Mr. Sawyer informed members that the Board would not be able to take actions on any items on the agenda and all actionable items would be differed to the next meeting of the Board, scheduled for January 31, 2024.

Regulatory Review Process and Executive Order 19

Ms. Trisha Lindsey, DHCD Policy and Legislative Director, provided an overview of the regulatory process and the regulatory reduction requirements of Executive Order 19 (2022).

Ms. Cindy Davis, DHCD Deputy Director, Building and Fire Regulations, provided an update on the proposed timeline for a 2021 special regulatory reduction code cycle.

Mr. Jeff Brown, DHCD State Building Codes Office Director, gave an update on staff efforts to comply with Executive Order 19 (2022), including assessing the regulations associated with the Uniform Statewide Building Code (USBC), Statewide Fire Prevention Code (SFPC), Industrialized Building Safety Regulations (IBSR), and Virginia Amusement Device Regulations (VADR). Mr. Brown highlighted certain sections of the USBC, not related to health, safety, and welfare, that contain regulations that could be simplified, modified, or reduced in order the achieve the goals of Executive Order 19.

The Board discussed the regulatory process and the requirements of Executive Order 19 as it relates to the regulations promulgated by the Board.

Mr. Larry Murphy voiced concerns with rewriting the 2021 codes and that the special code cycle will affect legitimate regulations worth protecting.

Ms. Sylvia Hallock voiced concerns that regulatory reduction efforts will reverse the hard work of the Board to improve accessibility and affordability.

Other Business

There was no other business to be discussed.

Adjournment

Upon a motion duly made and seconded, the Codes and Standards Committee meeting was adjourned.

BOARD OF HOUSING AND COMMUNITY DEVELOPMENT
Codes and Standards Committee
January 31, 2024
All Virtual Meeting Via Microsoft Teams

Members Present	Members Absent
Louie Berbert	Richard Gregory
Claudia Cotton	
Sean Farrell	
Lynne Goldberg	
Sylvia Hallock	
Abigail Johnson	
Keith Johnson	
Roger Jones	
Larry Murphy	
J.M. Snell	
Scott Stosser	
Mark Trostle	
Janet Wiglesworth	

Call to Order

Mr. J.M. Snell, Vice Chair of the Codes and Standards Committee, called the meeting of the Committee to order at 12:18 p.m.

Roll Call

The roll was called by Mr. Chase Sawyer of the Department of Housing and Community Development Policy Office. Mr. Sawyer reported that a quorum was present.

Approval of Minutes

A motion was made and properly seconded to approve the minutes of the August 28, 2023, meeting of the Committee; the motion passed on a voice vote.

Notice of Intended Regulatory Action Pursuant to Executive Order 19

Ms. Trisha Lindsey, DHCD Policy and Legislative Director, provided an overview of the regulatory process and the regulatory reduction requirements of Executive Order 19 (2022). Ms. Lindsey noted that additional information on the regulatory review process and the regulatory reduction requirements can be found on Town Hall.

Ms. Cindy Davis, DHCD Deputy Director, Building and Fire Regulations, provided an update on the proposed timeline for a 2021 special regulatory reduction code cycle.

Mr. Jeff Brown, DHCD State Building Codes Office Director, gave an update on staff efforts to comply with Executive Order

19 (2022), including assessing the regulations associated with the Uniform Statewide Building Code (USBC), Statewide Fire Prevention Code (SFPC), Industrialized Building Safety Regulations (IBSR), and Virginia Amusement Device Regulations (VADR). Mr. Brown highlighted certain sections of the USBC, not related to health, safety, and welfare, that contain regulations that could be simplified, modified, or reduced in order the achieve the goals of Executive Order 19.

Following staff presentations, committee members asked staff clarifying questions and discussed the regulatory process and the requirements of Executive Order 19 as it relates to the regulations promulgated by the Board. Committee members discussed the implications of a supplemental 2021 code development cycle and its associated timeline, as well as the affect it would have on the 2024 code development cycle. Committee members discussed the possibility of complying with Executive Order 19 within the 2024 code development cycle.

Ms. Claudia Cotton suggested that the Board should create a sub-workgroup during the 2024 code development cycle for the purposes of achieving regulatory reduction goals and that the current building codes should be left as-is.

Mr. Keith Johnson made a motion that was properly seconded to not approve the Notices of Intended Regulatory Action (NORIAs) as presented on the Committee's agenda and to direct DHCD staff to prepare NOIRAs in accordance with Executive Order 19 related to the 2024 code development process. Mr. Johnson spoke on his motion and stated opposition to delaying the 2024 code development cycle for fire safety reasons.

Committee members discussed the motion made by Mr. Johnson. Some committee members spoke in support of the motion. Committee members discussed the process currently used by the Board to update the regulations related to the building codes. Committee members further discussed the requirements of Executive Order 19 and its applicability to the regulations promulgated by the Board.

Mr. Farrell proposed a friendly amendment to Mr. Johnson's motion to add language to the motion to recognize the work already done during the 2021 code update cycle that reduced regulations in accordance with Executive Order 19. Mr. Johnson accepted the amendment as friendly from Mr. Farrell.

Committee members continued to discuss the amended motion and the impacts it might have on the code development cycle. Committee members continued to discuss the requirements of Executive Order 19 as it relates to the regulations promulgated by the Board.

Mr. Johnson restated the amended motion that had been properly seconded to not approve the Notices of Intended Regulatory Action (NORIAs) as presented on the Committee's agenda and to direct DHCD staff to prepare NOIRAs in compliance with Executive Order 19 related to the 2024 code development process and to consider the previous efforts of the Board related to regulatory reduction during the 2021 code cycle. The motion passed (YEAS: Cotton, Farrell, Goldberg, Hallock, A. Johnson, K. Johnson, Murphy, Snell, Stosser, Trostle; NAYS: Berbert, Jones, Wiglesworth; ABSENT: Gregory).

Other Business

There was no other business to be discussed.

Adjournment

Upon a motion duly made and seconded, the Codes and Standards Committee meeting was adjourned.

Minutes of the
BOARD OF HOUSING AND COMMUNITY DEVELOPMENT
December 16, 2024
1:00 PM
All-Virtual Meeting

Members Present	Members Absent
Louie Berbert, Chair	*None*
Sylvia Bryant	
Cindy Davis	
Bill Garrett	
Lynne Goldberg	
Jenna Goodman	
Abigail Johnson	
Keith Johnson	
Roger Jones, Vice Chair	
Tammy Neale	
J.M. Snell	
Scott Stosser	
Mark Trostle	

DHCD staff present for all or part of the meeting:
Jeff Brown, State Building Code Office Director
Bryan Horn, Director
Trisha Lindsey, Policy and Legislative Services Director
Andrew Malloy, Policy Analyst
Florin Moldovan, Code and Regulation Specialist
Sulaiman Safi, Board Coordinator
Chase Sawyer, Policy and Legislative Services Manager
Todd Weinstein, Chief Deputy Director

Call to Order

Mr. Berbert, Chair of the Board of Housing and Community Development, called the meeting of the Board to order at 1:05 p.m.

Roll Call

The roll was called by Mr. Sawyer. Mr. Sawyer reported that a quorum was present.

Public Comment

Mr. Berbert opened the floor for public comment.

Martha Cohen shared comments in opposition to future workgroups regarding proposals to expand current limits on single-staircase construction for multifamily buildings. Ms. Cohen said the recent Single-Staircase Advisory Group raised important concerns and there are still too many risks associated with single-stair construction above current limits.

After seeing no additional speakers, Mr. Berbert closed public comment.

Approval of Minutes

A motion was made by Ms. Goldberg and seconded by Mr. Stosser to approve the minutes of the October 21, 2024, meeting of the Board. The motion passed on a unanimous voice vote.

Following the voice vote, a roll call vote was requested by the Chair in order to confirm board members present to vote. The motion passed on a roll call vote (YEAS: Berbert, Bryant, Garrett, Goldberg, Goodman, A. Johnson, K. Johnson, Jones, Neale, Snell, Stosser, Trostle; NAYS: None; ABSTAIN: Davis).

Resolutions to Commend Board Members

Mr. Berbert presented commending resolutions for former Board members Claudia Cotton, Susan Dewey, Sean Farrell, Sylvia Hallock, and Larry Murphy. Ms. Johnson, Mr. Johnson and Ms. Davis gave remarks thanking the former Board members for their perspective, hard work and dedication.

A motion was made by Ms. Davis and seconded by Mr. Johnson to commend the service of former Board member Claudia Cotton. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, A. Johnson, K. Johnson, Jones, Neale, Snell, Stosser, Trostle; NAYS: None).

A motion was made by Ms. Bryant and seconded by Mr. Garrett to commend the service of former Board member Susan Dewey. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, A. Johnson, K. Johnson, Jones, Neale, Snell, Stosser, Trostle; NAYS: None).

A motion was made by Ms. Johnson and seconded by K. Johnson to commend the service of former Board member Sean Farrell. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, A. Johnson, K. Johnson, Jones, Neale, Snell, Stosser, Trostle; NAYS: None).

A motion was made by Mr. Jones and seconded by Mr. Stosser to commend the service of former Board member Sylvia Hallock. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, A. Johnson, K. Johnson, Jones, Neale, Snell, Stosser, Trostle; NAYS: None).

A motion was made by Mr. K. Johnson and seconded by Mr. Garrett to commend the service of former Board member Larry Murphy. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, A. Johnson, K. Johnson, Jones, Neale, Snell, Stosser, Trostle; NAYS: None).

Single-staircase Advisory Group

Mr. Malloy provided a summary of actions taken by the Board in relation to the Single-staircase Advisory Group. Mr. Malloy reminded the Board that legislation passed by the General Assembly in 2024 (HB368/SB195) directed the Board to convene a workgroup to provide recommendations for allowing a single stair exit for Group R-2 (multifamily residential) structures up to six stories in height. Mr. Malloy continued that at the August 19, 2024 meeting of the Board, the Board authorized the Chair to appoint members to the Advisory Group. Mr. Malloy reported that the Advisory Group met in-person three times and gathered input through discussions, research, and public comments.

Mr. Malloy provided an overview of the findings and recommendations made by the Single-staircase Advisory Group. Mr. Malloy stated that the Advisory Group recommended that any proposal to allow a single stair exit above current limits should be considered by the Board during the normal building code development process, and that fire safety considerations discussed by the Advisory Group should be evaluated when reviewing single-stair proposals. Additionally, Mr. Malloy noted that the Advisory Group recommended the Board should convene a special workgroup during the upcoming code cycle to continue discussing this topic in more detail.

The Board discussed the report and staff answered questions from Board members.

2024 Code Cycle Update

Mr. Sawyer provided an update on the tentative schedule for the 2024 code cycle. Mr. Sawyer shared that the ICC had published the 2024 model codes, and the next step would be to approve the Notice of Intended Regulatory Action (NOIRA) at the March 2025 meeting of the Board. Mr. Sawyer reviewed a tentative timeline for the 2024 update of the building codes. The Board discussed the tentative schedule and staff answered questions from Board members.

Residential Sites and Structures Database

Mr. Sawyer provided an update on the residential sites and structures database. Mr. Sawyer shared that legislation passed by the General Assembly in 2023 directed DHCD to build the database which provides localities the opportunity to advertise sites available for development or structures that may be suited for re-development. Mr. Sawyer noted that the database is now live and posted on the DHCD website.

Legislative and Regulatory Update

Mr. Sawyer provided an update on changes to the Private Activity Bond guidelines. Mr. Sawyer reminded the Board that the new guidelines were previously approved by the Board, and they are now in effect for the 2025 program year starting in January.

Ms. Lindsey provided an update on the upcoming legislative session including agency guidance regarding the conduct of board members on legislative matters.

Virginia Housing Report

Ms. Neale provided an update on Virginia Housing's Qualified Allocation Plan (QAP) and shared that the new plan was approved by the Governor. Ms. Neale noted that the new QAP will go into effect Jan 1, 2025. Ms. Neale highlighted a November 14, 2024 announcement which reaffirmed the partnership between DHCD and Virginia Housing related to economic development and housing. Ms. Neale also updated the Board on the Governor's recently announced Workforce Housing Investment Program. Ms. Neale stated the program will allocate $15 million per year for 5 years from the Housing Trust Fund in support of workforce housing, and the program will provide grants to localities and PDCs that are attracting businesses to their communities. Ms. Neale shared that Virginia Housing will host webinars on the program.

Virginia Fire Services Board (VFSB) Report	Mr. Snell reported on recent and upcoming meetings of the Virginia Fire Services Board (VFSB). Mr. Snell shared that the VFSB recently met in Blacksburg and toured the town's fire training and testing facility, as well as the Town of Christiansburg's fire station and Montgomery County's live fire training facility. Mr. Snell shared that the Fire Services Board is following and focused on the single-staircase issue.
Report of the Director	Mr. Horn provided updates from a successful Governor's Housing Conference in Virginia Beach with over 1,200 attendees. Mr. Horn noted a highlight from the conference was the Governor's announcement of the Workforce Housing Investment Program. Mr. Horn shared that DHCD is working on the Board's memorandum of agreement (MOA) with the Virginia Fire Services Board (VFSB) and will soon be discussing next steps with the VFSB. Mr. Horn shared an update on DHCD's continuing efforts to expand broadband throughout the state. Mr. Horn stated that those efforts will continue as Broadband Equity, Access, and Deployment (BEAD) Program funding becomes available in 2025. Mr. Horn added that the BEAD application window will be opening once NTIA approves Virginia's locations. Mr. Horn shared updates on the Affordable and Special Needs Housing (ASNH) and Homeless and Special Needs Housing (HSNH) programs, noting that the Governor will announce projects that will receive funding under these programs in early 2025. Mr. Horn also shared updates on DHCD's flood relief efforts in Hurley, Whitewood, and throughout Buchanan County.
Unfinished Business	There was no unfinished business to be discussed.
New Business	There was no new business to be discussed.
Board Matters	Mr. Sawyer reminded the Board of due dates for the financial disclosure statements related to the Conflict of Interests Act (COIA). Mr. Sawyer also reminded the Board that conflict of interest training must be completed by each member.
Future Meetings	Mr. Horn shared the proposed 2025 meeting schedule and that the next Board meeting is scheduled for January 13, 2025.

Board members discussed the proposed 2025 meeting schedule.

Adjournment

A motion was made by Ms. Davis and seconded by Ms. Goodman to adjourn the meeting. The motion passed on a unanimous voice vote (YEAS: Berbert, Bryant, Davis, Garrett, Goldberg, Goodman, A. Johnson, K. Johnson, Jones, Neale, Snell, Stosser, Trostle; NAYS: None). The meeting was adjourned at 1:58 p.m.

Glenn Youngkin
Governor

Caren Merrick
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

Bryan W. Horn
Director

Memorandum

To: Board of Housing and Community Development

From: Bryan Horn, DHCD Director

Subject: Notice of Intended Regulatory Action (NOIRA) – 2024 Code Update

Date: March 5, 2025

The Board of Housing and Community Development is responsible for promulgating building and fire regulations to ensure the construction of buildings and structures that incorporate critical structural and life safety features and assure public health, welfare, and safety. In promulgating these regulations, the Board utilizes model codes and standards developed by the International Code Council (ICC). New editions of those model codes are available every three years. The 2024 editions of the ICC model codes are now completed and available.

To stay in sync with the national model codes, staff requests that the Board authorize staff to initiate regulatory action by preparing and publishing Notices of Intended Regulatory Action (NOIRAs) for the following regulations:

- Uniform Statewide Building Code (USBC)
- Statewide Fire Prevention Code (SFPC)
- Industrialized Building Safety Regulations (IBSR)
- Virginia Amusement Device Regulations (VADR)
- Manufactured Home Safety Regulations (MHSR)
- Virginia Certification Standards (VCS)

A tentative schedule for the 2024 Code Update Cycle is enclosed and subject to change.

Enclosure

2024 Regulatory Cycle Schedule (TENTATIVE)

March 10, 2025	Board of Housing and Community Development (BHCD) to approve the Notices of Intended Regulatory Action (NOIRAs) for 2024 USBC, SFPC, VADR, IBSR, MHSR, and VCS. Provide Virginia Fire Services Board (VFSB) notice of intent to publish NOIRA, after BHCD approval
March 21, 2025	NOIRAs entered in Town Hall
April 11, 2025	Obtain Office of Attorney General (OAG) and Office of Regulatory Management (ORM) NOIRA approvals
April 1, 2025	cdpVA (Virginia's online code development process platform) officially opens for submission of code change proposals
May 14, 2025	Deadline for submittal of NOIRAs for June 2nd publishing
June 2, 2025	Publishing of NOIRAs in VA Register (180-day public comment period in Town Hall)
June 11, 2025	Submit public hearing notice to VA Register for June 30th publishing
June 30, 2025	Public hearing notice published in VA Register (Provide 30-day notice to VFSB of Public Hearing date)
July 14, 2025	Public hearing prior to publishing proposed regulations. Virginia Fire Services Board (VFSB) members to sit with BHCD for public hearing on SFPC
June – October 2025	Sub-Workgroup (Energy and SFPC), Study Groups, and General Workgroup meetings on issues and proposals
September 1, 2025	cdpVA proposal submission cut-off

December 2, 2025	End of 180-day NOIRA (Town Hall) comment period
January 12, 2026	BHCD's Statewide Fire Prevention Code Development Committee (SFPCDC) meets to consider base document for SFPC and any proposals for the proposed regulations. BHCD's Codes and Standards Committee (CSC) meets to consider base documents for USBC, VADR, IBSR, MHSR, and VCS and any proposals for proposed regulations and to review the recommendations of the SFPCDC
April 2026	Provide notice to VFSB and SFPCDC of May meeting
May 11, 2026	BHCD's SFPCDC meets to review proposed regulation for SFPC. BHCD's CSC meets to review proposed regulation for SFPC as recommended by SFPCDC and to review proposed regulations for USBC, VADR, IBSR, MHSR, and VCS. Immediately following committee meetings, BHCD meets to consider approval of proposed regulation for SFPC, USBC, VADR, IBSR, MHSR, and VCS
May 2026	Proposed Regulations submitted in Town Hall (Within 180 days of NOIRA comment period end)
June 2026	Obtain statutory authority letter from OAG and ORM approval of proposed regulations
July 2026	Proposed regulations for SFPC, USBC, VADR, IBSR, MHSR, and VCS published in VA Register. Public hearing date published with the regulations
July – August 2026	60-day public comment period on proposed regulations for SFPC, USBC, VADR, IBSR, MHSR, and VCS
July 2026	Submit public hearing notice to VA Register

August 2026	Public hearing notice published in VA Register (Provide 30-day notice to VFSB of Public Hearing date); Provide notice to the VFSB of the public hearing date
September 2026	Public hearing for SFPC, USBC, VADR, IBSR, MHSR, and VCS (VFSB members to sit with BHCD for public hearing on SFPC)
October 2026	Notification to VFSB of November joint meeting
November 2026	BHCD's SFPCDC meets to review final regulation for SFPC. BHCD's CSC meets to review final regulation for SFPC as recommended by SFPCDC and to review final regulations for USBC, VADR, IBSR, MHSR, and VCS. Immediately following Committee meetings, the joint meeting of VFSB and BHCD to consider approval of final regulations for SFPC followed by BHCD to consider approval of final regulations for the USBC, VADR, IBSR. MHSR, and VCS
December 2026	Obtain statutory authority letter from OAG for final regulations and obtain approval from the ORM and the Governor to publish the final regulations
January 2027	Final Regulations submitted in Town Hall
February 2027	Final Regulations approved by ORM and OAG
March 2027	Final regulations for 2024 SFPC, USBC, VADR, IBSR, MHSR, and VCS published in Virginia Register
June 2027	2024 SFPC, USBC, VADR, IBSR, MHSR and VCS become effective (pending any petitions received during the 30-day final adoption period following the publishing of the final regulations)

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COMMONWEALTH of VIRGINIA

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

Bryan W. Horn
Director

Memorandum

To: Board of Housing and Community Development

From: Bryan Horn, DHCD Director

Subject: Industrial Revitalization Fund Program Guidelines Update for FY2026

Date: March 5, 2025

The Industrial Revitalization Fund (IRF) program leverages local and private resources to achieve market-driven redevelopment of vacant and deteriorated industrial and commercial properties. The program is targeted toward vacant structures whose poor condition creates physical and economic blight to the surrounding area in which the structure is located. Only local governments (city, county, or town) or regional or local economic or industrial development authorities may apply for the funds.

The Board of Housing and Community Development is directed by State Code (§ 36-155) to develop guidelines for the administration of the IRF program. Enclosed for the Board's review and approval are the proposed FY2026 program guidelines.

Proposed changes from the FY2025 program guidelines to the FY2026 program guidelines include:

- The addition of clarifying language to clearly state the intent and purpose of the IRF program.
- An update to the standard interest rate for IRF Grant/Loans if the end use will be for a for-profit developer.
- The addition of clarifying language to clearly state loans must be repaid and cannot be forgivable.
- A clarification that only site remediations funded by DEQ programs is ineligible for match; however, site remediations funded by a locality would be eligible for match.

Enclosure

FY2026 IRF GRANT GUIDELINES

INTRODUCTION

For the purposes of the Industrial Revitalization Fund (IRF) program, the term “industrial” is considered to mean any structure significant to the community due to size, location, and/or economic importance. These structures are no longer suited for their former purpose, are classified as derelict structures, and their current condition are a substantial deterrent for future economic opportunity in the surrounding area and region.

Localities frequently do not possess the resources needed to attract adequate private investment for timely redevelopment of these structures. This is especially true in distressed areas. Therefore, **IRF awards are meant to leverage local and private resources to achieve market-driven redevelopment of these structures, creating a catalyst for long-term employment opportunities and ongoing physical and economic revitalization. Eligible properties and structures must be vacant and blighted, and may be redeveloped for any eligible market-driven purpose regardless of the original use.**

Availability of Funds

The proposed funding available in FY ‘26 is a one-time $2.6 million allocation to replenish the Virginia Derelict Structures Fund (DSF) established under §36-152 of the Code of Virginia. The Virginia Department of Housing & Community Development (DCHD) administers these funds under the Industrial Revitalization Fund (IRF) Program. We anticipate the total funding available will be finalized in the spring of 2025.

Award Amounts

The maximum award is up to $1,000,000 per project; however, an applicant may apply for less. . IRF awards are intended to provide **gap funding** and shall **not** be used as a substitute for other funds the applicant has already committed to a project. IRF awards require at least a 1 to 1 match of IRF dollars.

ELIGIBILITY

In order to be eligible for award funding through the IRF program, projects must meet the requirements described below.

Eligible Applicants

Only local governments (cities, counties, or towns), and regional or local economic or industrial development authorities may submit applications for funding. A unit of local government may apply directly for funding to use on publicly owned property OR on behalf of a for-profit or non-profit entity for privately owned property. Localities may designate a redevelopment authority or another similar organization as an agent for project implementation and administration.

Award Funding Structures

While applicants should indicate whether funds are requested as a loan or a grant, DHCD reserves the right to award funding in the manner most appropriate to the project, and to recommend alternative structures as necessary. For both loans and grants, the expectation is that financing to complete the entire project as specified in the IRF application has been secured as evidenced by formal letters of interest, term sheets, or commitment letters.

DHCD will issue an **IRF GRANT** under the following conditions:

- The property is publicly owned;
- The privately owned property has an option agreement/contract in place for purchase by a local government at the time of the application; or
- The private property is owned by a not-for-profit, tax-exempt entity.

In cases where the local government intends to lease the property to a private, for-profit entity, a market rate lease is required; upon resale of the property to a private, for-profit entity, DHCD may require repayment of a prorated grant amount.

DHCD will issue an **IRF GRANT/LOAN** under the following conditions:

- The property is owned by a private, for-profit entity and the end-use will be owned by a private, for-profit business.
- IRF Grant/Loans may be funded as a grant to the applicant local government (or local Development Authority), who will in turn make a loan to the for-profit entity. The following standard terms and conditions will apply to all projects unless DHCD determines that a regionally significant project requires more favorable terms. The terms of the loan must be agreed to by DHCD.
  - Interest Rate: Current published Prime Rate minus 1% (floor of 5%)
  - Amortization: Up to 20 Years (negotiated on a project-by-project basis)
  - Environmental Review
  - DHCD will require an executed performance agreement with the developer
- Agreements may be executed simultaneously to the closing of the first trust lender for primary financing or after; however, IRF grant/loans will not close before all other sources of primary financing are closed or commitment letters with a closing date have been issued.
- Failure to execute the contract or performance agreement within 6 months of award may result in the awarded funds being reprogrammed to another project. The applicant will be given the opportunity to apply again once the project is more prepared for IRF loan closing. DHCD has the discretion to offer an extension beyond six months where delays are caused by circumstances beyond the control of the developer.
- All loans will be repaid and proceeds from those loans will be utilized for additional projects that are IRF eligible. Therefore, forgivable loans will not be considered by DHCD.

All projects, regardless of award structure, **must be ready to execute a contract or performance agreement for their awarded funds by January 1, 2026.**

All projects, regardless of award structure, will be required to have a deed covenant/ restriction or a lien for a period of 10-years that requires DHCD approval prior to any sale or change in end-use for the property. In the case of a sale to a private sector entity and/or a change of use during the 10-year period, DHCD may require a prorated repayment of the funds based on the number of years of the deed restriction remaining.

<u>Match</u>

To demonstrate project viability and the applicant's commitment, applicants receiving funding from the General Fund appropriation are required to provide a 100 percent (1:1) local match from private or public sources. The match must either be cash or documented costs that are directly associated with the improvements to the property where IRF funds are expended. Local match may include federal (CDBG, ARPA, or other), state, local, and private funds spent on activities directly related to the targeted project within the last full fiscal year **(on or after July 1, 2024).**

A locality may use documented administrative costs as up to five percent (5%) of the 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. The locality must provide a description of specific in-kind resources committed, including methods used to determine their value.

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

IRF funds may **not** be used as a substitute for other funds the applicant or end-user has already committed to a project. If the project proposes a for-profit, private end-use, DHCD considers an equity investment by that entity into the IRF project as an indication of long-term commitment to the project.

<u>Eligible Match:</u>

- Acquisition costs - include current property appraisal as documentation of value or documentation of purchase price (HUD-1 Settlement statement, bill of sale or deed), whichever is less;
- Documented costs directly associated with physical activities on the IRF project site; Construction-related soft costs such as engineering, design or architectural activities (must be specifically identified in the application);
- Investments into Machinery & Tools, taxable by the locality;
- Public notices, permit or dumping fees and inspections costs (or waivers of such) directly related to physical activities (must be specifically identified in the application);
- No more than five percent (5%) local match will be accepted as in-kind or cash for out-of-pocket administrative costs.

<u>Ineligible Match:</u>

- State or local taxes;
- Site remediation that is funded by Virginia Department of Environmental Quality (DEQ) programs;
- Interest or principal payments on current debt on the property;
- Investments in Business Personal/Tangible Property (Furniture, Fixtures, and Equipment).

Eligible Use of Funds

The IRF program is flexibly designed so that funds can be used for a wide variety of revitalization and redevelopment activities such as **acquisition, rehabilitation, or repair** (including securing and stabilizing for subsequent reuse) of specific structures, as well as **demolition, removal,** and other **physical activities**. Grant administration is not an eligible activity for IRF.

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. IRF funds may also be used for the legal costs associated with demolition.

However, **funds may not be used solely for acquisition or demolition.** A portion of IRF funds may be used for acquisition if it can be demonstrated that the locality has:

1) committed other redevelopment funds to the property,
2) there is a market-based redevelopment plan outlining reuse options and target markets/niches, and
3) a property marketing strategy, including the entity responsible for implementation.

Generally, demolition should be used only in circumstances where the size or location of a building precludes any significant redevelopment potential or in cases where there is an imminent safety threat.

Site remediation is **not** an eligible activity for IRF. Virginia's Department of Environmental Quality offers several programs to assist with remediation and environmental assessment including the Voluntary Remediation & Brownfields/Land Renewal Programs. Visit http://www.deq.virginia.gov for more information.

It is **not the intent** of the IRF Program to fund the relocation of existing Virginia businesses into a redeveloped structure, particularly if the relocation or expansion occurs simultaneously with the closure or significant reduction of operations in another Virginia locality. If this type of project is proposed as part of a significant expansion, the applicant must demonstrate that it is clearly part of the community or region's economic development strategy and how business relocation has a quantifiable impact on that strategy.

Eligible Properties

According to the Code of Virginia § 36-3, a "blighted property" means any individual commercial, industrial, or residential structure or improvement that endangers the public's health, safety, or welfare because the structure or improvement upon the property is dilapidated, deteriorated, or violates minimum health and safety standards, or any structure or improvement previously designated as blighted pursuant to § 36-49.1:1, under the process for determination of "spot blight."

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. Projects may consist of multiple properties provided they are adjacent and/or adjoining and are related in either their negative impact (e.g., three adjacent severely deteriorated downtown buildings that create a negative impact on the remainder of the block) or end use (e.g., rehabilitation of an abandoned warehouse into a shell building with purchase of adjacent property for parking.)

Eligible properties and structures may be redeveloped for any market-driven purpose including mixed-use, regardless of the original use. For purposes of IRF, mixed-use is defined 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 **or in which 30 percent of the projected project revenue** is derived from the commercial space.”

It is **not the intent** of the IRF Program to fund new construction or the development of greenfield properties, unless done in coordination with the redevelopment of an eligible vacant or deteriorated property.

Former PropertyUses		
Eligible		**Ineligible**
• Manufacturing • Warehousing • Mining • Transportation • Power Production	• Department Stores • Theaters • Hotels • Shopping Centers • School Buildings • Residential	• Scattered Site Projects • Greenfield Sites

FUND ACCESS

In the case of **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 signing of the contract, unless otherwise negotiated with DHCD**. Grant funds are available on a **reimbursement basis only**, for costs the applicant has incurred and paid for.

In the case of **GRANT/LOANS**, IRF funding will be released as a grant to the applicant local government entity (or approved Economic Development Authority), who will then make a loan to the private developer pro-rata with other funders or once other sources are expended. This will be determined in discussion with developers upon DHCD’s award notification.

Funding Priorities

The ultimate intent of the IRF program is to fund **shovel-ready** projects that will act as a catalyst to spark additional private investment and job creation in distressed areas that have been targeted for economic development and community revitalization as part of a larger economic restructuring or economic development strategy. Based on that intent, DHCD has established the following funding priorities:

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

Applicants must identify the economic development strategy that the proposed project will support. This strategy should be an element of an existing redevelopment, 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 IRF funds will accelerate and expand those economic restructuring and development activities. Additionally, the application should identify why the proposed project is being prioritized for IRF funds over other projects in the locality.

2. High degree of blight and deterioration to be addressed.

Applicants must describe the extent of the physical deterioration and identify the negative impact the property is having in the community. DHCD is seeking to invest in projects that will address the negative impact the property has on the community's ability to attract private investment and job creation. Applicants must demonstrate that addressing the property is a local priority, and projects that seek to repurpose a property will be given more consideration than projects that focus only on demolition/site clearance. Higher priority will be given to projects involving blight abatement and elimination, than those proposing blight prevention.

3. Project readiness.

DHCD will give higher priority to shovel-ready projects that will lead to the efficient and immediate redevelopment of blighted properties. Readiness scores will be reviewed first by DHCD and a minimum score will be required to be considered for funding. Projects that can demonstrate "readiness to proceed" will be given the greatest consideration. Readiness to proceed is demonstrated by having finalized plans and primary financing in place (formal letters of interest, term sheets or letters of commitment) for an identified end-use/user. Capacity for project implementation by the locality or developer will also be a consideration in project readiness. For applications requesting grant funding, 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 an IRF grant must be procured in accordance with the Virginia Procurement Act (VPPA). Applicants should submit documentation to detail that procurement requirements have been met for any professional services contracted to date. Grantees will be required to submit documentation to detail that procurement requirements have been met, prior to any execution of contracts that obligate IRF funds.*

Projects that can show the ability to close on the IRF loan or go under contract with DHCD within six months of an IRF award notification will be the most competitive for funding. DHCD reserves the right to withdraw funding should the applicant not be under contract/close the IRF loan in a reasonable amount of time. 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.

4. Project with a clear end use.

Successful applicants will be able to identify a tangible end-use to be completed in a reasonable amount of time, typically an 18-month timeframe. Successful projects will have executed development agreements, commitment letters from non-profit partners, operations/management agreements, leases for space, and detailed operations plans. Projects that have speculative or undetermined end uses will be considered a lower priority. If the application proposes a non- profit end use, the applicant or end user must demonstrate long-term sustainability by providing a 10-year operating pro forma and other documentation of financial solvency.

5. End use will have a clear and significant community economic impact.

Applicants must describe how the project will have a clear positive impact on the community. This includes both the economic impact of the construction process and the end use. Applicants should demonstrate a commitment to ensuring IRF projects seek outreach opportunities for local developers and subcontractors and SWAM certified businesses to participate in the development. Projects should also demonstrate significant private investment when the end user is a private business. Applicants must demonstrate how the completion of the IRF project will be a catalyst to larger economic revitalization efforts in the locality and region and will spark additional investment in the surrounding area. Applicants should include quantified expectations for primary impact (such as net new jobs, new businesses, and leveraged private investment) and any secondary impact (such as increased local sales, meals, or lodging tax revenue, increased export or non-export (tourism) revenues, increased daily and/or overnight visitors, and availability of commercial square footage.)

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, whereas projects with a public sector end-use will be lower priority. For IRF purposes, a full-time equivalent job is defined as employment of, at a minimum, 35 hours per week. Existing employees or unpaid volunteer positions should not be included in job creation projections and will not be considered in application scoring.

6. High Economic Distress in project locality.

Extra consideration will be given to projects located in communities that are experiencing higher degrees of distress. However, it is not intended to compensate for poorly conceived projects that do not score well on the other funding priorities. The Industrial Revitalization Fund (IRF) distress index comprises three factors: unemployment, fiscal stress, and poverty. From these statistics, individual distressed scores are computed. Finally, the three component scores are averaged together to form a composite score. The composite score is then broken down into four categories based on standard deviations from the average score.

Unemployment

Unemployment adversely affects the disposable income of families, erodes purchasing power, diminishes employee morale, and reduces the economy's output. The unemployment index score depends on localities' unemployment rates. The unemployment rate also reflects the local economic conditions as well as localities' ability to generate revenue to provide critical services to its citizens. A higher unemployment rate means less economic activity and reduced revenue sources for the local government.

Fiscal Stress

The ability for a locality to provide services to their citizens depends on their capability to generate revenue from their own sources. A lack of revenue-generating capacity will lead to either a shrinking budget or a gap between revenues and expenditures, which is considered fiscal stress. The fiscal stress index comprises three factors: revenue capacity per capita, revenue effort, and median household income. From these statistics, individual stress scores are computed. Finally, the three component stress scores are averaged together to form a composite.

Poverty

Poverty can negatively affect economic growth by affecting the accumulation of human capital and rates of crime and social unrest. Human capital--that is, the education, work experience, training, and health of the workforce--is considered one of the fundamental drivers of economic growth. Also, areas with higher poverty rates experience, on average, slower per capita income growth rates than low-poverty areas.

See Appendix D in the Industrial Revitalization Fund Application Instruction Manual for pre-calculated scores for all cities and counties. Towns may use the distress score of the county, or they may calculate their own based on a calculator provided by DHCD, upon request.

7. Other Considerations

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 economic development plan.
- Eligibility for local real property tax abatements (§58.1-3221) or other **local incentives** to encourage investment.
- Location in an **Enterprise Zone** and ability to qualify for the state and local incentives. **IRF loans** may be included in the Enterprise Zone Real Property Investment Grant schedule of Qualified Real Property investments, while **IRF grants** must be excluded.
- Location in a designated **Virginia Main Street** community, an **Opportunity Zone**, a local, state or federal **historic district**, a **redevelopment or blight removal district**, a **Technology Zone**; or other similar district.
- Location in a current **CDBG project area**.
- Committed project leverage exceeds 1:1 match.
- Commitment to including **SWAM certified** contractors/sub-contractors through solicitation during the bidding and procurement process.

Prioritization

A locality may only submit **one** 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. If the locality is applying on behalf of a non-profit or private for-profit, the resolution should indicate the specific match amount and identify the entity that will be responsible for providing the matching funds. A project which encompasses multiple adjacent properties, even if there are various owners, is eligible for consideration if the locality includes all in one application.

SUBMISSION REQUIREMENTS

Applications for IRF funding must be submitted through DHCD's Centralized Application Management System (CAMS) and will be due on **May 30, 2025**. You can access CAMS using the following link: https://dmz1.dhcd.virginia.gov/camsportal/Login.aspx

Scoring

Funds will be allocated through a competitive process that will give greater priority to projects leading to the efficient and immediate redevelopment and/or reuse of abandoned "industrial" structures. Applications will be evaluated according to a scoring system and projects will be selected for funding based on the higher scores in descending order until all funds are allocated. Scoring criteria and point allocation will be as follows:

- Relationship to Economic Development Strategy: 10%
- Readiness: 30%
- End Use Plans: 15%
- Economic Impact: 25%
- Distress: 15%
- Other Considerations: 5%
- TOTAL 100%

A strong application will be able to document that the project is ready-to-go but could not be finished without the injection of the IRF funds.

Performance Agreements and Contractual Obligations

Successful applicants will be required to sign a contract/performance agreement committing them to the economic outcomes, property use, fund use, and match outlined in the approved application and any pre-contract/performance agreement negotiations.

All applications, contracts and performance agreements are subject to negotiation with DHCD. All projects will be required to have a deed covenant/restriction or a lien for a period of 10 years that requires DHCD approval prior to any sale or change in end-use for the property. In the case of a sale to a private sector entity and/or a change of use during the 10-year period, DHCD may require a prorated repayment of the IRF funds based on the number of years of the deed restriction remaining.

All approved projects will be committed to a project completion date of 18 months from contract execution/loan closing, by which all activities must be completed, and drawdown requests/loan disbursements submitted to DHCD/Locus. Any project that receives funding and does not use all of its designated funds by the project completion date specified in its contract/loan award may lose the remaining fund balance.

Substantial Project Changes after Application Submittal

DHCD reserves the right to rescind the funding offer if substantial changes to the project scope and/or financing needs occur after application submission. DHCD will be concerned of the impact of such on the project's cash flow, project timing, need for IRF funding, intent of the IRF program, and projected outcomes as outlined in the original application. To maintain consideration for IRF funding, substantial changes to project scope and/or budget will require applicants to provide DHCD with an updated description of the project.

Contact Information

For more information on the IRF program, please contact:

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(804) 371-7000

Glenn Youngkin
Governor

Caren Merrick
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

Bryan W. Horn
Director

Memorandum

To: Board of Housing and Community Development Members

From: Bryan Horn, DHCD Director

Subject: Consolidated and Annual Action Plan Update

Date: February 28, 2025

The Board of Housing and Community Development is responsible for the review/approval of the 2025-2026 Annual Action Plan prior to submission to the Department of Housing and Urban Development (HUD). The plans are a HUD requirement that set priorities and goals for the use of HUD program funds that include the Community Development Block Grant (CDBG), Emergency Solution Grant (ESG), HOME Investment Partnership, Housing Opportunities for Persons with AIDS (HOPWA), and the National Housing Trust Fund (NHTF). For more information about the consolidated planning process, please see DHCD Online.

The draft version of the Annual Action Plan will be available for review on March 2, 2025 on the DHCD website at https://www.dhcd.virginia.gov/consolidated-plan. The attached presentation provides an overview of the Consolidated Plan/Annual Action Plan. The public participation section of the Consolidated Plan will be added to the documents at the conclusion of the public comment period on April 25, 2025. Final documents are due to HUD on May 16, 2025.

Enclosures

2025 – 2026 Annual Action Plan Summary

Overview

Every five years, DHCD is required to evaluate the statewide needs for affordable housing, homeless services, and community development. This evaluation serves to establish the basis for the Commonwealth's five-year strategic goals which, in turn, guide annual funding priorities for federal resources including Emergency Solutions Grant (ESG), Housing Opportunities for People With AIDS (HOPWA), HOME Investment Partnerships Program (HOME), Housing Trust Fund (HTF), and Community Development Block Grants (CDBG).

For each program year included in the Consolidated Plan, DHCD submits an Annual Action Plan (AAP) to HUD. This document specifies the funding amounts and methods of distribution for the Virginia programs which distribute funding for the federal resources listed above.

Needs Assessment & Market Analysis

In developing the 2023 Consolidated Plan, DHCD conducted a statewide Needs Assessment and Market Analysis. Below is a selection of insights gleaned from these efforts, highlighting some of the areas in which DHCD aims to improve conditions for Virginians:

- 86% of Extremely Low-Income households in VA are housing cost-burdened
- VA has a statewide affordable housing shortage of more than 300,000 units
- Approximately 29,000 individuals in Virginia experienced homelessness during 2022
- Nearly half of the Commonwealth's housing units were built before 1980

Public Input

DHCD promotes public participation and stakeholder engagement by providing various opportunities where stakeholders including clients, customers, service providers, other state agencies, grantees, units of local government, advocacy groups are invited to help shape the Commonwealth's plans for federal resources.

To inform the development of the 2025-2026 AAP, DHCD held nine in-person and virtual input sessions between November and December 2024. The input sessions focused on issues pertaining to affordable housing, homeless services, and community development. 136 participants attended across eight sessions, representing the following organizations and regions:

37 Organizations:

- 17 local and regional governments
- 16 CoC leads & CSBs
- 4 development organizations and service providers

Broad Geographic Purview:

- 22 organizations from Northern VA
- 3 organizations from Central VA
- 6 organizations from Eastern VA
- 26 organizations from Southwest VA

The public comment period for the 2025-2026 AAP is open until April 25, 2025. DHCD will review and respond to all comments submitted by this date. A summary of comments received will be included as an attachment to the final document submitted to HUD

Upcoming Milestones

- March 26, 2025 – Draft AAP posted to DHCD website
- April 2, 2025 – Virtual public hearing
- April 25, 2025 – Public Comment period closes

- May 12, 2025 – Board Approval
- May 16, 2025 – Deadline to submit documents to HUD

Use of Resources

DHCD allocates federal resources to advance the goals defined in the Strategic Plan. This chart outlines the proposed use of funds to support each strategic objective and establishes goal outcome metrics for program activities. Annual funding and outcome estimates are approximately ⅕ of the five-year totals posited in the 2023-2027 Consolidated Plan.

Annual Goals and Projected Outcomes

The following table describes the Commonwealth's strategic goals and expected outcomes for programmatic activities conducted between June 30, 2025, and July 1, 2026. The proposed funding and outcomes below are currently estimates. This information will be updated once we have received notification from HUD about the actual allocation amounts.

***Table** 1: Goals Summary Information*

Goal Name	Funding	Goal Outcome Indicator
Create Competitive and Sustainable Communities	CDBG: $18,806,749	*Public Facility/Infrastructure Activities (LMI housing benefit):* **300 Households Assisted** *Public Facility/Infrastructure Activities (non-LMI housing benefit):* **400 Persons Assisted** *Public Service Activities:* **100 Persons Assisted** *Facade treatment/business building rehabilitation:* **20 Businesses** *Jobs created/retained:* **100 Jobs** *Businesses assisted:* **25 Businesses Assisted** *Buildings Demolished:* **10 Buildings**
Increase access to safe and affordable housing	HOME: $12,652,135 HTF: $7,635,523 CDBG: $6,010,714	*Rental units constructed:* **60 Household Housing Unit**s *Rental units rehabilitated:* **15 Household Housing Units** *Homeowner Housing Added:* **10 Household Housing Unit** *Direct Financial Assistance to Homebuyers:* **70 Households Assisted**
Increase housing stability	ESG: $3,205,897 HOPWA: $1,631,954	*Tenant-based rental assistance / Rapid Rehousing:* **2,100 Households Assisted**

Department of Housing and Community Development

Board of Housing & Community Development
March 10, 2025

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

Guiding the Future: Virginia's Annual Action Plan Fiscal Year 2025 - 2026

VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Partners for Better Communities

What is the Consolidated Plan?

- Housing and Urban Development (HUD) requirement
- Every 5 years DHCD asks "What needs are present in Virginia?"
  - Affordable Housing
  - Homelessness
  - Non-Homeless Special Needs Housing
  - Non-Housing Community Development
- Every year DHCD submits an Annual Action Plan

Who completes the Consolidated Plan and Annual Action Plan?

- Completed by the state or localities that receive funds directly from HUD
- DHCD completes the Virginia plan for these federal resources

What's included?

- A needs assessment, a strategic plan, and annual goals
- Focuses on housing, homelessness, and community development
- Includes public input and feedback from service providers, housing developers, other state agencies, localities and continua of care

2023 - 2027 Strategic Goals

DHCD will target federal resources and leverage state funding to address priority needs by advancing the following strategic goals:

1. ***Creating competitive and sustainable communities* –** Enhance infrastructure, education, and access to business capital to improve the ability of communities to maintain or expand their levels of economic success.
2. ***Increasing access to affordable and safe housing units* –** Preserve and improve existing affordable units and create new affordable units, with a specific focus on units available to households with special needs.
3. ***Increasing housing stability* –** Decrease the number of individuals experiencing homelessness, reducing the length of time people are homeless, and reduce the number who return to homelessness.

Annual Action Plan Participation Timeline

November 12-18, 2024 — **Stakeholder Consultations**

November – December 2024 — **In-Person Public Input Sessions**

- **November 21st** – Roanoke & Abingdon, VA (virtual)
- **December 2nd** – Richmond, VA
- **December 5th** – Woodbridge, VA
- **December 10th** – Hampton, VA

March 2, 2025 — **Draft Annual Action Plan Posted to DHCD website**

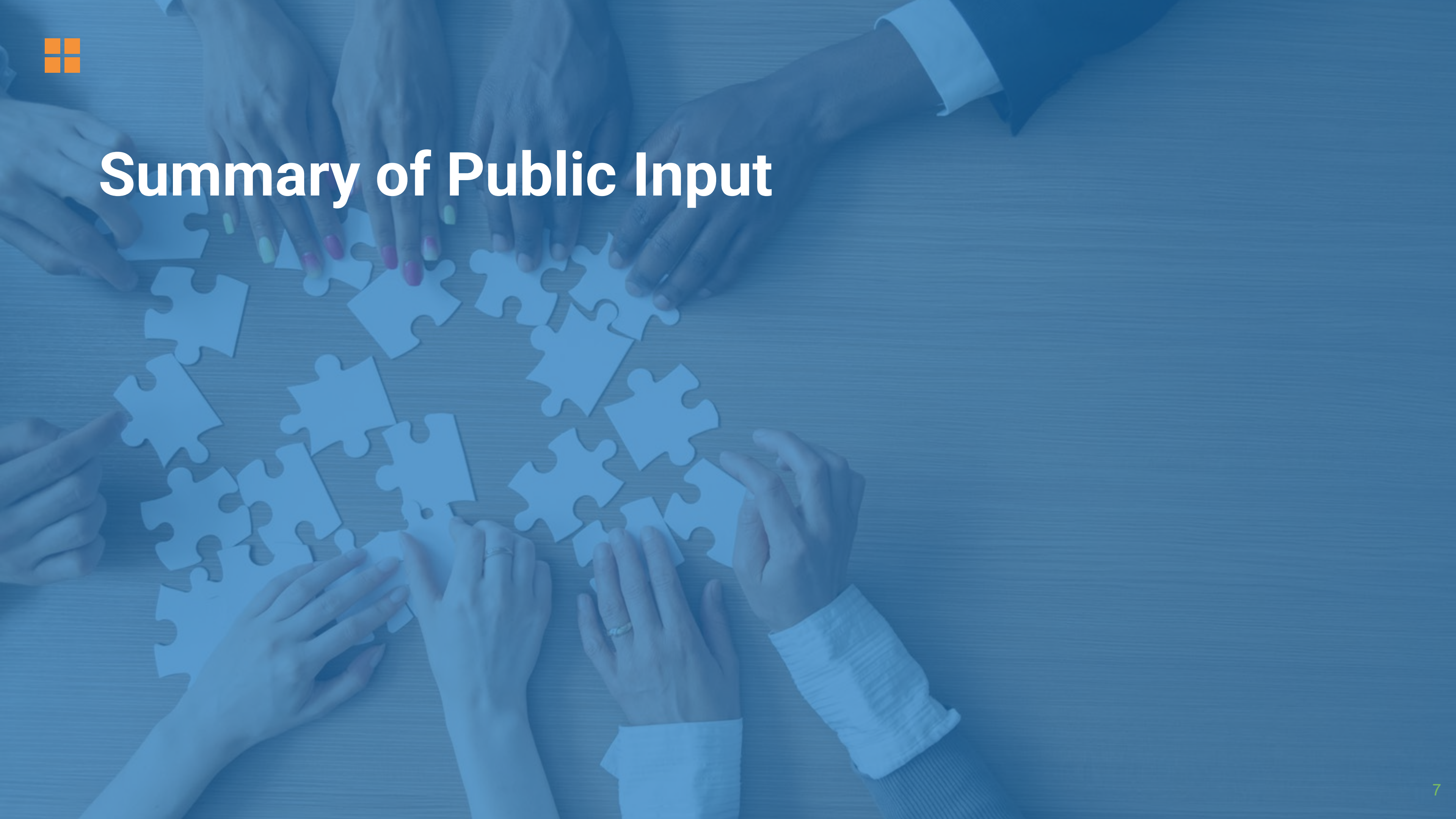
- Public comment period opens

April 2, 2025 — **Public Hearing**

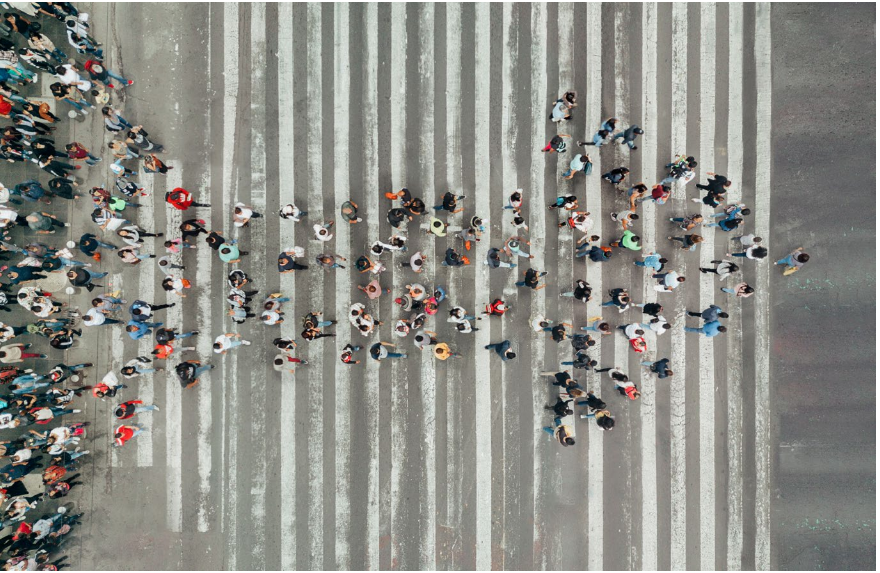
- Public comment period closes April 25, 2025

May 16, 2025 — **DHCD Submits Plan to HUD**

Summary of Public Input



Input Sessions



4 Virtual Sessions:

Nov. 18 – Dec. 11, 2024

Includes Southwest VA

5 In-Person Sessions:

Nov. 13 – Dec. 10, 2024

Central, Eastern, and Northern VA

Public Participation Overview

Input Sessions:

- 136 attendees across 8 sessions
- 37 organizations represented:
  - 17 local/regional governments
  - 16 CoCs & CSBs
  - 4 development organizations & service providers
- Broad geographic purview:
  - 22 organizations serving Northern VA
  - 3 organizations serving Central VA
  - 6 organizations serving Eastern VA
  - 26 organizations serving Southwestern VA

Stakeholder survey conducted to identify challenges to administering programs

Virtual public hearing scheduled on April 2, 2025

Receiving and responding to written comments through April 25, 2025

DHCD is accepting comments on the Draft 2025-26 Action Plan

Third Annual Action Plan

- Program Year: July 1, 2025 – June 30, 2026

Covering the funds DHCD spends from:

- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)
- HOME Investment Partnerships (HOME)
- National Housing Trust Fund (NHTF)
- Community Development Block Grant (CDBG)

To view the draft, go to dhcd.virginia.gov/consolidated-plan

Next Steps

Continue to develop components of the Annual Action Plan in accordance with feedback received from the public.

The public comment period is open **until April 25, 2025.**

- DHCD will review and respond to all comments submitted by this date.

DHCD will submit the AAP to HUD **on May 16, 2025.**

Contact Information

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THANK YOU

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