



VIRGINIA INITIATIVE FOR
**GROWTH &
OPPORTUNITY**
IN EACH REGION

AGENDA
VIRGINIA GROWTH AND OPPORTUNITY BOARD GOVERNANCE AND POLICY COMMITTEE

Tuesday, March 12th, 2024

12:00 PM – 1:00 PM

[Virtual Link](#)

Location:

Library of Virginia

1st Floor Conference Room

800 E Broad St, Richmond, VA 23219

- I. OPENING
 - a. Call to order Chair
 - b. Roll Call Cody Anderson
 - c. Public Comment Chair

- II. Consent Agenda – **Action Item** Chair
 - a. Approval of January Meeting Minutes

- III. Nomination – **Action Item**
 - a. Nomination for Chair of Regional Councils Chair

- IV. JLARC Recommendations Discussion Cody Anderson
 - a. Traded Sector Industry Definitions
 - b. Review of Higher Wage Jobs Eligibility Requirement
 - c. Growth and Diversification Plan Review Guidance
 - d. Expanded Administrative Approval Authority
 - e. Expansion of Competitive Fund Eligibility

- V. Information Item Cody Anderson
 - a. Roadmap for Addressing JLARC Recommendations
 - b. Board Member Terms Memorandum

- VI. ADJOURNMENT Chair



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VIRGINIA GROWTH AND OPPORTUNITY BOARD GOVERNANCE AND POLICY COMMITTEE

January 29, 2024

1:00 PM

Virtual

Members Present

Jim Cheng
Jim Dyke
Heywood Fralin
Ken Johnson
Emily O’Quinn
Pia Trigiani

Members Absent

Nancy Howell Agee

Call to Order

Ms. Emily O’Quinn, Chair of the Virginia Growth and Opportunity (GO Virginia) Board Governance and Policy Committee, called the meeting to order.

Roll Call

Mr. Cody Anderson, GO Virginia Program Administrator for the Department of Housing and Community Development (DHCD), called the roll, and stated that a quorum was present.

Committee Charter

A motion was made by Mr. Fralin and seconded by Mr. Cheng to approve the Committee Charter as presented. The motion passed.

Public Comment

Ms. O’Quinn opened the floor for public comment.

No members of the public appeared before the Committee for the public comment period.

The public comment period was closed.

Information Item

Mr. Anderson presented the Committee with a memorandum detailing the upcoming Board member term expirations and Board vacancies occurring since the beginning of calendar year 2024.

Discussion Items

Mr. Anderson provided the Committee with a detailed review of the JLARC recommendations, noting that the Committee will be charged with taking action on the JLARC recommendations at the March meeting of the Committee in advance of reporting those recommendations to the State Board at its March regular meeting.

Adjournment

The meeting was adjourned.

DRAFT



Memorandum

TO: GO Virginia Governance and Policy Committee Members

FROM: DHCD Staff

RE: JLARC Recommendation 5 – Traded Sector Industry Definitions

DATE: 03/12/2023

BACKGROUND:

As part of the 2023 JLARC Report regarding the GO Virginia Program, the Commission adopted a series of recommendations. Specifically, recommendation 5 recommended that the Board revise the program definition of traded sector activities.

The specific language of recommendation 5 reads as follows:

“The GO Virginia board should revise its policies to include a more detailed definition of traded sector activities, modeled on the definition used by the Virginia Economic Development Partnership’s Virginia Jobs Investment Program, which can be used to determine project eligibility.”

JLARC reported the following details in consideration of their recommendation:

- a) *At the inception of GO Virginia, the board determined the program should be focused on traded sector industries.*
- b) *Economists and program stakeholders – including board and council members – agree that it is appropriate for GO Virginia to focus on growing the traded sector because these activities have the biggest potential economic impact.*
- c) *Traded sector activities bring in new revenue from outside the state instead of simply reallocating existing economic activity within the state and can have a more significant impact on the economy. Traded sector industries also generally pay higher wages.*
- d) *The board policy establishing the traded sector eligibility requirement is not well defined and is largely open to interpretation.*
- e) *The policy does not clearly define if the traded sector refers to whole industries or activities within an industry. It also does not clearly define if “traded sector” refers to industries or activities that sell a majority of their goods or services outside Virginia or those that compete in international markets.*

The referenced Board Policy # 4 currently reads as follows:

Board Policy #4

TITLE: Use of GO Virginia Funds for Scholarships and Nontraded Sectors

EFFECTIVE DATE: 12/12/2017

AUTHORITY: § 2.2-2486 - §2.2-2489 of the Code of Virginia

POLICY STATEMENT: It is the policy of the Virginia Growth and Opportunity Board that funds shall not be used for projects in non-traded sectors where median wages fall below regional averages. The Board will consider future applications from these sectors that can demonstrate that the project will create higher-paying jobs across the industry sector and that the project will generate out-of-state revenue despite being a non-traded sector, such as a center of excellence or specialized/innovative model.

Furthermore, it is the policy of the Virginia Growth and Opportunity Board that funds shall not be used for initiatives that are unsustainable beyond GO Virginia funds, such as scholarships.

APPROVAL AND REVIEW: This Board policy was reviewed and approved on 12/12/2017.

SUPERSESSION: This Board policy is new.

DHCD DIRECTOR: William Shelton

There are numerous definitions for the traded sector industry that can serve as potential alternatives to Board Policy #4. Examples that the Committee may seek to consider could include the following:

- a) VEDP Definition: A company that directly or indirectly derives more than 50 percent of its revenue from out-of-state sources.
- b) Metropolitan Council Definition: Industry sectors and firms that produce goods and services within the Commonwealth that are sold outside of state lines.
- c) Michael Porter Definition: Traded industries are those that are more geographically concentrated and produce goods and/or services that are sold across regions and countries.
- d) Harvard University's U.S. Cluster Mapping Benchmark Definition: Traded industries tend to be concentrated in a few regions and serve markets beyond the region in which they are located.

RECOMMENDATION:

Staff recommends Board Policy # 4 be repealed by the Board and a new policy be adopted that removes mention of non-traded sectors, sustainability, and scholarships. The new Policy # 4 should include language stating that funds shall be used to support the growth of prioritized traded industry clusters as identified by the GO Virginia regions in their Growth and Diversification Plans. The new policy would include a specific definition of traded sector industries but allow flexibility for the Board to adopt additional subsequent policies that make targeted exceptions to the Policy. Sustainability and scholarships should be shifted to administrative guidance. If one of the provided definitions is selected, it is recommended that the term "region" in any given definition be replaced with the term "Commonwealth".



Memorandum

TO: GO Virginia Governance and Policy Committee Members

FROM: DHCD Staff

RE: JLARC Recommendation 7 – Review of Higher Wage Job Eligibility Requirement

DATE: 03/12/2024

BACKGROUND:

As part of the 2023 JLARC Report regarding the GO Virginia Program, the Commission adopted a series of recommendations. Specifically, recommendation 7 recommended that the Board replace the eligibility requirement that all grant projects must create higher-wage jobs.

The specific language of recommendation 7 reads as follows:

“The GO Virginia board should replace the eligibility requirements that all grant projects must create higher wage jobs with a requirement that all grant projects must create a new or expanded workforce or economic development activity.”

JLARC reported the following details in consideration of their recommendation:

- a) *Creating jobs is not a realistic objective for GO Virginia, because a majority of projects do not directly create jobs.*
- b) *It is still a valid outcome for some projects, and projects that create high-wage jobs are likely to have a high impact, so it should remain one of the outcome measures used for projects, when appropriate.*
- c) *Limiting grants to projects that target high-wage jobs can prevent projects that meet regional priorities from being funded, which goes against how the program was intended to function.*
- d) *The statute requires only that projects address regional workforce and economic development priorities.*
- e) *The Code is clear that GO Virginia should focus on “high impact” projects, so it is reasonable to have an eligibility requirement that attempts to achieve this. However, that requirement needs to be broad enough to encompass the many different types of projects that GO Virginia funds.*
- f) *An average – or even below-average-paying job in a region with high unemployment or low and declining economic activity could still be helpful, particularly if these jobs are entry-level or in occupations with career paths that can lead to higher-paying jobs.*

GO Virginia requires that to be eligible for funding, a project must be focused on a traded industry sector that is a regional priority through inclusion in a region's Growth and Diversification Plan. Another eligibility requirement for GO Virginia funding is a project's demonstration of industry demand for a program or activity. In general, in-demand occupations in traded industry sectors tend to be above-average-paying jobs or, in the case of entry-level positions, provide career paths to high-paying jobs.

RECOMMENDATION:

Upon a thorough review of Board policy and program guidance, staff could find no reference mandating that jobs created as a result of any given GO Virginia project must be high-paying jobs; rather, when used, the "higher-paying jobs" phrase accurately describes a characteristic of traded sector industries, which research has demonstrated, offer higher wages than nontraded industries. Staff recommends that the Board direct staff to review and make changes to guidelines and documentation as necessary to clarify that higher-wage jobs are an evaluation criterion and not a program eligibility requirement. However, higher-wage jobs are a critical component of evaluating projects targeted toward a high-impact economic opportunity.



Memorandum

TO: GO Virginia Governance and Policy Committee Members

FROM: DHCD Staff

RE: JLARC Recommendation 15 – Growth and Diversification Plan Review Guidance

DATE: 03/12/2024

BACKGROUND:

As part of the 2023 JLARC Report regarding the GO Virginia Program, the Commission adopted a series of recommendations. Specifically, recommendation 15 recommended that the Board adopt a policy governing Growth and Diversification Plan update cycles.

The specific language of recommendation 15 reads as follows:

“The GO Virginia board should adopt a policy that defines a cycle for full and lighter reviews of regional growth and diversification plans.”

JLARC reported the following details in consideration of their recommendation:

- a) *Regional councils are statutorily required to review these plans every two years, but the board and DHCD determine what this review entails.*
- b) *In the 2019 and 2021 reviews, councils undertook large-scale efforts, including contracting with consultants to update and analyze data and conducting extensive stakeholder outreach.*
- c) *For the 2023 review, the board and DHCD recognized such an extensive effort was not needed and allowed councils to undertake less intensive reviews. Regional support staff said the less intensive 2023 review was preferable because the plans do not change much over two years.*
- d) *A reasonable cycle could require a full review every four years, with a lighter review conducted in between each full review.*

In March of 2023, the Board approved a revised, lighter plan review process for the 2023 cycle. The full 2023 Growth and Diversification Plan Update guidance is attached. The next review will be due Dec 2025.

RECOMMENDATION:

Staff recommends the Committee consider directing staff to hold stakeholder workgroup sessions to research this topic and come back to the Committee with stakeholder-based recommendations regarding the cadence of when full and lighter reviews should take place. Recommendations in the form of updated administrative guidance will be considered at the Committee's next meeting.



Virginia Growth and Opportunity Fund (GO Virginia) Growth & Diversification Plan - 2023 Review Guidance

Section 1: Overview

GO Virginia is a collaborative economic development program that promotes private sector growth in targeted, traded industry clusters and creates high-paying jobs through regional collaboration. Each region has a Growth and Diversification Plan - the guiding strategy to achieve its economic development goals. **Every project recommended by the Regional Councils and approved by the GO Virginia state board should be consistent with the strategies and goals outlined in the region’s Growth and Diversification Plan.**

Each Regional Council is required to review their G&D Plan biennially while receiving grants from the GO Virginia fund. For the required 2023 review, each Regional Council will submit a review of their Growth and Diversification Plan to DHCD no later than October 31, 2023 for consideration at the December 2023 GO Virginia Board meeting, based on the accompanying template. The overall goal of this review is to provide Regional Councils an opportunity to reflect on the plan, restate their commitment to the targeted industries*, plan goals and strategies, and revise their 2021 Growth and Diversification Plan if needed to ensure it is a living document that will shape strong project development and impact existing regional economic development goals.

**GO Virginia funds cannot be used for projects in non-traded sectors.*

Section 2: General G&D Plan Criteria

The following Growth and Diversification Plan criteria are required ([VA Code § 2.2-2489](#)). If any of these criteria are not covered in a region’s existing plan, the plan should be updated to include the missing criteria - DHCD staff will review each plan to ensure all criteria are met. If Regional Councils are satisfied with the coverage of each criteria, they can submit the 2023 Growth and Diversification Plan Review alongside their 2021 Plan.

Requirement	Description (see 2021 Update Guidelines for more information)
Performance of regional economy	Reflect on the performance of their regional economy with a focus on the performance of their previously identified targeted industry sectors.
Situational analysis for each targeted industry	Consider current targeted sectors, as well as any potential new targeted sectors identified in the data analysis, and are encouraged to conduct a situational analysis that identifies strengths, weaknesses, opportunities, and



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sector	threats to the future economic performance of each sector.
Skills gap analysis for targeted industry sector	Evaluate labor requirements and regional capacity to train workers. Update the previously identified workforce gaps in the availability of immediately employable talent in the targeted sectors or clusters. Specifics include the skills/credentialing/ experience/education required, and whether these efforts are adequate to address the shortage and to support long-term growth.
Plan goals + strategies	Provide priority goals and strategies to advance the goals of the GO Virginia Program. Map your active project portfolio against these strategies, including those in your project pipeline. Use the GO Virginia program’s four priority investment areas (Talent Development, Start Up Ecosystem, Cluster Scale Up, and Sites/Infrastructure) as a framework.
Partners for collaboration	The plan should identify opportunities for collaboration or complementary efforts for each of the strategies. Councils should identify organizations and other non-GO Virginia activities to support goals.

Section 3: 2023 Review & Summary

Regional Councils may choose to update and amend their Growth and Diversification Plans beyond what is required in this review, however, at a minimum, each council should 1) review their current plan and 2) complete the corresponding template. The template is intended to provide Regional Councils the opportunity to reflect on their current plan, address any updates, evaluate what is working, and summarize their key goals and how they will be addressed through project development.



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Virginia Growth and Opportunity Fund (GO Virginia) Growth & Diversification Plan - 2023 Review Template

INSTRUCTIONS: Please use the following template to guide the plan review. Please attach the Review Template to the front of the 2021 Growth and Diversification Plan as a cover sheet or to a revised plan or revised section, if changes are made.

TITLE PAGE:

- Include Region, 2023 Growth & Diversification Plan Review, Support Organization contact information

PRIORITY INDUSTRY CLUSTERS:

- Please summarize the region's priority industry clusters identified in the Growth and Diversification Plan using the below table format. Example:

Priority Industry Cluster

(If a NEW cluster is added, please describe the process and research that led to the decision in the narrative and include a definition of the cluster including NAICS codes)

WHERE WE ARE - STATE OF THE REGIONAL ECONOMY:

- Please summarize the state of the regional economy *as presented in the 2021 plan*, and reflect on any major trends, shifts, or developments that impact the picture, if any.

SKILLS GAP ANALYSIS AND TALENT PATHWAYS - TARGETED INDUSTRY SECTOR PATHWAYS:

- Please discuss the **skills gap analysis for targeted industry sectors** *as presented in the 2021 plan* and in the context of the new Talent Pathways Initiative Planning funding opportunity. What existing goals and strategies in the plan could be addressed through the new TPI Planning funding?



GOALS, STRATEGIES, AND HOW TO ACHIEVE THEM:

- Please as succinctly as possible summarize the identified goals and strategies *as presented in the 2021 plan*, using a table format. You should have at least one row for each targeted industry but could have multiple rows and repeated industry sectors listed, if a goal and/or strategy applies to multiple industries. If strategies or goals are updated in this process, please highlight any new goals or strategies and explain these changes from the previous plan version.

TARGETED INDUSTRY(IES)	GOALS	STRATEGIES	OUTCOMES / IMPACT MEASURES	STRATEGIC PARTNERS	CURRENT PROJECTS / UPDATES
<i>Instructions: Fill in identified industry</i>	<i>List goal identified in 2021 G&D Plan</i>	<i>List related strategy(ies) identified in 2021 G&D Plan</i>	<i>How will success be measured? Reference core GOVA Outcomes if relevant</i>	<i>List identified strategic partners for achieving goals and strategies</i>	<i>List current projects that are working in this industry and addressing the goal and/or strategy outlined and provide any relevant updates that have impacted the goal since the last plan version</i>

PROJECT DEVELOPMENT

- Please discuss how this 2023 Growth and Diversification Plan Review will impact project development. Please discuss current projects and how they relate to the Review.

FUTURE PLANNING/G&D PLAN EFFORTS:

- Please describe how this 2023 Growth and Diversification Plan Review was facilitated. Please detail how Regional Council members and whether stakeholders were involved in the process.



Memorandum

TO: GO Virginia Governance and Policy Committee Members

FROM: DHCD Staff

RE: Recommendation 11 – Expanded Administrative Approval Authority

DATE: 03/12/2024

BACKGROUND:

As part of the 2023 JLARC Report regarding the GO Virginia Program, the Commission adopted a series of recommendations. Specifically, recommendation 11 recommended increased delegation of authority for the Director of Housing and Community Development to approve projects. The statutory authority of the Board reads as follows:

“Develop and implement guidelines and procedures for the application for use of any money in the fund”.

The Board is also empowered to:

“Receive and assess applications for awards from the Fund submitted by regional councils and determine the distribution, duration, and termination of awards from the Fund for uses identified in such applications;”

The specific language of recommendation 11 reads as follows:

“The GO Virginia Board should revise its policies to delegate grant approval authority to the director of the Department of Housing and Community Development for any regional per capita implementation grant that has been dutifully reviewed and approved by a regional council and recommended for administrative approval by a board designated workgroup.”

JLARC reported the following details in consideration of their recommendation:

- a) *State-level review and approval is an important part of the application process, but most projects should not need the formality of a board vote to proceed.*
- b) *The extensive GO Virginia application review and approval process appears to be adequately vetting grants.*
- c) *Most GO Virginia grants are approved within a reasonable timeframe, but waiting for final board approval adds an unnecessary delay for many grants. In most cases, the delay is just a few weeks, but in a few cases, waiting for final approval can delay projects by three or more months.*
- d) *The Board has the power to delegate its approval authority – which it has done for regional per capita planning grants.*
- e) *Delegating authority would allow applications to be approved faster, without having to schedule review and approval timelines around future board meetings.*
- f) *It would reduce delays from application deferrals. Currently, if the board defers application approval, the applicant must wait three months for the next quarterly board meeting, even if they can resolve issues with their application well before then.*

OVERVIEW OF THE IMPLEMENTATION GRANT REVIEW PROCESS:

November						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		
December						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Legend
Submission Deadline
Staff Review
Workgroup Review
Feedback Loop
Feedback Loop Review
Final Workgroup Recommendation Decision
Board Packet Posted
Board Decision Date

The application review schedule ahead of the December meeting of the Board is illustrated above and described in more detail as follows:

- 1) Staff Review - DCHD staff reserves one week to conduct internal reviews of applications. This often entails conducting additional supporting research on the proposed projects as well as following up with Regional Support Organizations for additional required documentation not provided in the initial application submission. All staff members review each application individually with a staff member designated as lead on each application. A full staff review session is also scheduled to cross-examine notes and determine questions that may have arisen from reviews.
- 2) Workgroup Review - Following staff reviews, a week is designated for workgroup reviews. These reviews include multiple workgroup sessions distributed by investment strategy (workforce development, sites and infrastructure, startup ecosystems, and cluster scale-up) and include two members of the State Board as well as up to three independent subject matter experts. Workgroup members are supplied with the full applications the week prior and participate in these collaborative workgroup sessions to discuss the strengths and challenges of each application. This process also includes a “pitch call” element that allows the workgroup to receive an overview from the applicant and provides an opportunity for workgroup members to ask clarifying questions about the application. At this point, the workgroup discusses and determines additional information that may be needed to form a recommendation.

- 3) **Feedback Loop** –The additional information-gathering period is called the “feedback loop”. This allows staff at the direction of the workgroup to solicit additional information that wasn’t satisfied by the workgroup review process. The feedback loop is an especially valuable tool for the workgroup to gather information on projects that would otherwise face a deferral. The applicant is afforded one week to provide answers and/or additional supportive documentation.
- 4) **Feedback Loop Review** - After the feedback loop, a few days are reserved for staff to review and forward provided answers and additional supportive documentation to the workgroup members, affording a last opportunity for those members to provide comments and affirm or amend their initial recommendation. In rare situations, a project may receive no request for feedback loop information if the workgroup has identified that there are no deficiencies in the application or if the workgroup has determined that deficiencies in the application can not be rectified or could only be solved through substantial additional activities such as an extensive planning effort.
- 5) **Final Workgroup Recommendation** – After the application review process, the workgroup makes a final recommendation. The recommendation can come in three different forms:
 - a) **Approval:** The application has demonstrated that it qualifies for GO Virginia funding by satisfying all GO Virginia required criteria, including but not limited to participation of a qualified applicant, demonstrated industry demand, participation of two or more localities, demonstrated appropriate match, and a demonstration of unmet need. In some situations, approval may come with contingencies that must be satisfied, including requirements such as a solidification of partnership between organizations such as an executed MOU, or a contingency involving a grant award from a third party that is pledged as a match for the project.
 - b) **Deferral:** The application has demonstrated that it meets some of the criteria required for GO Virginia funding, however, outstanding conditions have not been satisfied by the applicant that would be required to justify approval. Issues identified may include but are not limited to serious deficiencies regarding qualifying matching funding, outstanding technical issues stemming from project structure, and a lack of strategic ecosystem alignment. These projects receive extensive feedback and technical assistance after the State Board takes action so that the applicant is made aware of all deficiencies that would need to be satisfied to achieve Board approval.
 - c) **Denial:** The application has failed to demonstrate that it qualifies for GO Virginia funding. These deficiencies cannot be satisfied by short-term technical assistance and demonstrate a substantial lack of project readiness. This can include a lack of evidence of industry need for the proposed project, a determination of a lack of regional significance or substantial outcomes, or ineligible activities related to non-traded industries or industries not strategically identified in a Region’s Growth and Diversification Plan. A denied application may include additional recommendations for the applicant to return to the program with an application for planning efforts to resolve outstanding demand/outcome-related issues.

STAFF RECOMMENDATION:

The JLARC recommendation for this item states that a project would be eligible for administrative approval after dutiful review by a workgroup. After a review of the timeline for workgroup reviews, DHCD staff has determined that the final recommendation of the workgroup is made 5-7 days before the Board meeting. These recommendations take into account instances in which a project may be nearly ready for funding but may require additional short-term milestones to be met for a contract for funding to be executed. This triggers a recommendation to approve-contingent, avoiding unnecessary prolonged delays for otherwise eligible projects. In instances of deferral recommendations from the workgroup, a project is likely within the realm of potential funding, however, significant additional technical assistance is deemed to be required to address project deficiencies. An additional workgroup review of these significant project changes would be necessary to reach final approval.

Staff recommends taking no action on this item.



Memorandum

TO: GO Virginia Governance and Policy Committee Members

FROM: DHCD Staff

RE: JLARC Recommendation 9 – Expansion of Competitive Fund Eligibility

DATE: 03/12/2024

BACKGROUND:

As part of the 2023 JLARC Report regarding the GO Virginia Program, the Commission adopted a series of recommendations. Specifically, recommendation 9 recommended that the Board expand eligibility for statewide competitive funds.

The specific language of recommendation 9 reads as follows:

“The GO Virginia board should expand eligibility requirements for statewide competitive funds by making these grants available to (i) any region that has awarded or is about to award all or almost all of its per capita funds in a given year and is not carrying a significant unobligated funding balance, and (ii) projects that require a grant amount that is equal to or greater than half of the region’s unobligated per capita funds. Projects that involve multiple regions should continue to be eligible for these funds.”

JLARC reported the following details in consideration of their recommendation:

- a) *Early on the board decided that to be eligible for these grants, a proposed project must have “statewide significance” and involve at least two different GO Virginia regions (in addition to other grant requirements).*
- b) *These non-statutory requirements were never established in a formal board policy but by 2020 had been adopted into DHCD guidance.*
- c) *The board’s multiple region requirement for statewide competitive funds is overly restrictive. While almost all regional per capita funds have been used in recent years, less than half of the statewide competitive funds have been awarded.*
- d) *Stakeholders – including regional council staff and project leads – indicated that the main reason they did not pursue statewide competitive grants was the logistical challenge involved with the multiple region requirement.*

Throughout the second half of calendar year 2023, Department of Housing and Community Development staff worked alongside stakeholders, including individual State Board members and regional support organization staff, to determine ways to improve resource utilization as it pertains to the Competitive Fund. This process concluded with the subsequent revision and release of DHCD Competitive Fund guidance at the December 12, 2023, State Board meeting (one day after the release of the JLARC Report).

The new Competitive Fund guidance included changes in the pathways that a region can use to access the fund. Those pathways include the following:

- a) A new pathway was created that allows regions to access the fund without the need for partnership with another region.
- b) A new pathway was created for multi-regional planning activities to support the development of a future multi-regional Competitive Fund implementation application. This pathway was developed in response to concerns that logistical challenges involving multi-regional planning activities were deterring regions from partnering on projects.
- c) A pathway for multi-regional applications, regardless of single-region resource utilization, was preserved due to the potential benefits of a large-scale, large-footprint project.

The full Competitive Fund guidance is attached.

RECOMMENDATION:

Actions already taken satisfy the recommendation.



Virginia Growth and Opportunity Fund (GO Virginia) Competitive Fund – Project Guidance

Section 1: GO Virginia Program and Competitive Fund Intent

The GO Virginia program was designed to help grow and diversify regional economies and increase wages in every region of the Commonwealth. Nine regional councils have organized and developed Growth and Diversification plans and strategies organized around their own unique resources and assets.

The Code of Virginia established the Virginia Growth and Opportunity Fund and describes an allocation to be competitively awarded based on expected economic impact and outcomes without regard to a region's population. The Competitive Fund is established to create a shared pool of funding aside from each Region's per capita allocations to be accessed for project that represent an extraordinary economic opportunity.

The purpose of this guidance is to provide clarity on the process for developing and submitting an application requesting the use of Competitive Funds as well as the roles and responsibilities of participating Region(s).

Section 2: Overview of Fund Sources

The Competitive Fund is made up of two funding sources.

- 1) A yearly allocation as determined by the GO Virginia State Board following an appropriation by the Virginia General Assembly.
- 2) Resources recaptured as described in GO Virginia State Board Policy #14.

Section 3: Competitive Regional Performance Pool Eligibility

To be eligible to apply for the Competitive Pool, a region must satisfy one of the following criteria:

- 1) Multi-Regional Application – The project must involve two or more GO Virginia Regions. Request may be made for both implementation and planning projects.
- 2) Single Region Application – A single region may apply for implementation projects through the Competitive Fund if their funding request exceeds their available Per Capita Fund balance. Due to the recognized utility of planning, pilot, and feasibility studies for



future per capita pipeline development, Regions are not required to exhaust their yearly \$250,000 planning, pilot, and feasibility study allowance established by [Board Policy #3](#).

Section 4: Local Participation and Match

All GO Virginia projects must have participation from 2 or more localities. For multi-regional competitive performance pool applications, the participation of 2 or more localities in each participating region is required. All projects that include greater levels of local participation will benefit from higher scoring.

For multi-regional applications, it is required that each participating region cost share in the matching requirements associated with this funding pool. This match may be contributed by the subgrantee on behalf of private, public or non-profit sources across the project footprint.

For single region implementation applications, the applicant must demonstrate extraordinary economic opportunity by qualifying for 2:1 match via one of the available pathways outlined in the GO Virginia per capita allocation match waiver policy or must be a demonstrated concept already undertaken in a single Region that seeks to scale statewide.

Due to the extraordinary economic opportunity that is required to be eligible for State Board consideration as a result of the strict scoring criterion of the Competitive Fund application process, those successful applications will automatically qualify for the relaxed funding requirement of 2:1 match. At least 20% of the total required match for Competitive Fund applications must be sourced from participating local government entities.

Section 5: Competitive Pool Application Types

Multi-Regional Applications

For multi-regional applications, it is expected that the application will come from a “lead region”. The lead region assumes responsibility for receiving and vetting the application through its review process. The lead council staff will serve as the primary point of contact with the applicant and work to manage a streamlined and consistent communication process with the collaborating councils. The lead council chair is responsible for convening the chairs of the partnering councils to discuss the opportunity for collaboration, the project concept, and the potential economic impact of the application. The lead council must involve each partnering council in the application development process and provide an opportunity to provide feedback to the applicant. The lead council ultimately votes to approve the project, but the application cannot advance to the cut scoring phase of the application process until an action of support (in



the form of a vote) is taken by each partnering council. The partnering council must be provided access to the final approved application prior to taking an action of support.

A partnering region in a multi-regional application must participate actively as a member of the formed workgroup. Council leadership must engage with the lead council leadership and provide a letter of support for the project after acted upon by the council. Partnering council representatives are encouraged to participate in established advisory committees as described in the project application.

The applicant (subgrantee) should first engage with the lead regional council who will serve as a primary point of contact as well as the grantee for the project. The lead council will help to coordinate discussions with the formed workgroup. The workgroup members will develop a communication strategy and timeline with collaborating regional councils to ensure an efficient and effective application review process and ultimately approval of the project by the lead council and a fully informed action of support by the partnering councils. Should a multi-regional project be awarded funds, the subgrantee shall provide periodic progress reports to the collaborating councils in addition to the quarterly reports required by DHCD.

Implementation

A multi-regional implementation application shall include the meaningful participation and shared benefit of activities among two or more localities in multiple GO Virginia regions. A successful implementation effort will include extensive multi-regional coordination and communication, demonstrated outcomes associated with the project type as outlined in the GO Virginia Core Outcomes document, and a positive return on investment to the Commonwealth. Periodic updates to each participating Regional Council are required, including updates on outcomes achieved and quarterly milestone progress. It is expected that results matriculating from a multi-regional implementation project will include an impact footprint in all participating localities.

Planning

It is understood that the nature of multi-regional implementation includes both significant funding from the State as well as extraordinary effort by the lead council involved in bringing the application to fruition. In order to both alleviate the up-front burden of the lead region and to ensure the responsible and strategic utilization of State funding, the multi-regional planning application is established.



A multi-regional planning application is limited to no more than \$250,000 in request per project. A successful planning effort will include, at minimum, convening of a workgroup comprised of lead and partnering council leadership as described in the multi-regional implementation application process, convening of a stakeholder workgroup that must include the participation of applicable private industries, educational partners, participating local governing body representation, and other stakeholders as needed, and development of a strategic plan which will demonstrate a viable playbook for the a future implementation project representing an extraordinary economic opportunity to the partnering regions. It is expected that only multi-regional planning applications with a demonstrated eye toward a future multi-regional implementation project will be considered.

Single Region Implementation Application

A single region implementation project may include a requested amount entirely from the Competitive Fund or may be a combination of funding from a region’s per capita allocation and the Competitive Fund if the request would completely exhaust the available unobligated fund balance of the applying region less unobligated funding reserved for planning, pilot, and feasibility study projects. Regardless of funding composition, a successful application must score a minimum of 75 points during the scoring process in order to qualify for State Board consideration.

It is expected that projects requesting funds from the Statewide Competitive Fund will present an extraordinary economic opportunity and are eligible for relaxed match. Applications must complete the Total Match Waiver form and indicate the qualifying criteria for extraordinary economic opportunity.

Section 6: Review and Approval Process

All applications received for the Competitive Fund will be scored based on a scoring rubric adopted by the GO Virginia State Board. Applications must score 75 points (out of 100) or better to access this fund.

For multi-regional projects, the lead region assumes responsibility for submitting the application to DHCD and, if awarded, will serve as the grantee for the project. An MOU among the collaborating regions will describe roles and responsibilities post award and will be included as part of the project contract.



Applications for funding through the Competitive Pool will be accepted on a first come, first serve basis quarterly on the same deadline cycle established for Per Capita allocation applications. In the event that multiple applications are submitted in a given quarter in which the existing funds in the Competitive Fund cannot satisfy all qualifying applications, the application with the highest cut score will be prioritized for State Board consideration.

State law requires that no single region receive total awards in excess of 25% of the total Virginia Growth and Opportunity Fund. For the purposes of multi-regional projects, funds will be assigned to the collaborating regions based on the breakdown of the project budgets. If a proportionate distribution cannot be determined, it may be assigned on a per capita basis. DHCD, in consultation with the collaborating regions, may determine an alternative distribution method.

References:

[Virginia Growth and Opportunity Act](#)

GO Virginia Competitive Application

[GO Virginia Core Grant Outcomes](#)

[Competitive Scoring Matrix](#)



VIRGINIA INITIATIVE FOR
**GROWTH &
OPPORTUNITY**
IN EACH REGION

Competitive Fund Scoring Matrix

Economic Impact – 40%

1. Project application outlines the expected return on investment of the proposed project and the timeline for achieving that return.
2. Project application demonstrates the proposed project's alignment with and how it will address the prioritized needs and opportunities of the growth and diversification plan, and alignment with the Region's identified priority industry clusters.
3. Grant requests that have a larger impact with regard to the creation of higher paying jobs and economic diversification, based on a return on investment model, in a locality experiencing above average economic distress shall receive higher scores.
4. Project outlines both behavioral as well as anticipated tangible results that will come from the collaboration.

Regional Collaboration – 20%

1. The number and percentage of localities within the region that are participating in the proposed project and the portion of the region's population represented by the participating localities.
2. Participation of localities or regions (including interstate collaborations) that are outside the applying region.
3. Cost efficiencies, repurposing of existing funds, leveraging of existing assets, or other evidence of collaboration that can be demonstrated as a result of the proposed project.
4. The amount of involvement in the project by businesses, colleges and universities, and other public and private entities within the region in the conceptualization of and the implementation of the project.
5. The amount, timing, and form of the proposed project match that outlines the depth of the commitment by the public and private funding partners to the effort.
6. Inventory existing grant requests or programs with similar goals to ensure the proposed project is not duplicative of, but additive to, other efforts to support economic diversification and the creation of more higher-paying jobs.

Project Readiness – 20%

1. Project application demonstrates that the project partners have the capability to successfully execute the project.
2. Project application demonstrates that the regional council has consulted with subject matter experts regarding the efficacy and viability of the proposal
3. Project application outlines how the project may be coordinated with existing efforts in the region.
4. Project application fully analyzes the barriers to successful implementation and other associated risks along with a plan to overcome them.



5. Project application reviews any prerequisite activities undertaken by the collaborating parties to increase efficiency with regard to program delivery and to ensure a deeper and consistent level of support for the project once launched.
6. Project application demonstrates the project partners, including the lead public or private administering entity, have sufficient financial management and personnel to ensure compliance with the grant agreement.

Project Sustainability – 20%

1. Plan for how a project will be sustained after grant funds are exhausted.
2. Demonstrated ability to meet the project performance metrics and to take remedial actions in the event those measures are not achieved.
3. Demonstrate leverage above the required amounts from any source. Demonstrated commitment of resources from private industry shall receive higher scores.



Memorandum

TO: GO Virginia Governance and Policy Committee Members

FROM: DHCD Staff

RE: Board Member Terms

DATE: 03/12/2024

BOARD MEMBER TERMS:

Name	Appointment Type	Current Term End Date
Lucia Anna "Pia" Trigiani	Non-legislative Citizen Member, Gubernatorial Appointee	<u>6/29/2024</u>
Jim Cheng	Non-legislative Citizen Member, Gubernatorial Appointee	<u>6/29/2024</u>
Jim Dyke	Non-legislative Citizen Member, Gubernatorial Appointee	<u>6/29/2024</u>
Leah Fremouw	Non-legislative Citizen Member, Gubernatorial Appointee	<u>6/29/2025</u>
Todd Stottlemeyer	Non-legislative Citizen Member, Gubernatorial Appointee	<u>6/29/2025</u>
Kenneth Johnson	Non-legislative Citizen Member, Gubernatorial Appointee	<u>6/29/2026</u>

John King	Non-legislative Citizen Member, Gubernatorial Appointee	<u>6/29/2026</u>
Jon M. Peterson, non-Legislative citizen member, House of Delegates Appointee, Expiration: 11/4/2026	Non-legislative Citizen Member, House of Delegates Appointee	<u>11/4/2026</u>
William Holtzman. non-Legislative citizen member, House of Delegates Appointee, Expiration: 12/15/2026	Non-legislative Citizen Member, House of Delegates Appointee	<u>12/15/2026</u>
Benjamin J. Davenport Jr.	Non-legislative Citizen Member, Senate Appointee	<u>4/11/2027</u>
Heywood W. Fralin	Non-legislative Citizen Member, Senate Appointee	<u>4/11/2027</u>
Nancy Howell Agee	Non-legislative Citizen Member, Gubernatorial Appointee	<u>6/29/2027</u>
Emily O'Quinn	Non-legislative Citizen Member, Gubernatorial Appointee	<u>6/29/2027</u>
Cliff Fleet	Non-legislative Citizen Member, Gubernatorial Appointee	<u>6/29/2027</u>
Delegate Terry Kilgore	Legislative Member, Speaker of the House Appointee	<u>3/7/2030 or until replaced</u>
Delegate Terry Austin	Legislative Member, Speaker of the House Appointee	<u>3/7/2030 or until replaced</u>
Delegate Todd Gilbert	Legislative Member, Speaker of the House Appointee	<u>3/7/2030 or until replaced</u>

Delegate Luke Torian	Legislative Member, Chair of the House Committee on Appropriations	<u>Coincidental with Office Term</u>
Senator L. Louise Lucas	Legislative Member, Chair of the Senate Committee on Finance and Appropriations	<u>Coincidental with Office Term</u>
The Honorable Steve Cummings	Ex-Officio Cabinet Member	<u>Coincidental with Office Term</u>
The Honorable Caren Merrick	Ex-Officio Cabinet Member	<u>Coincidental with Office Term</u>