



**Virginia Housing and Community Development Pilot:
Combined-Resource Approach
(PROPOSED)**

Purpose

This Virginia Housing and Community Development Pilot will combine multiple funding sources in order to fund comprehensive community projects and will consolidate DHCD project management and program compliance requirements where possible.

Today, one local project may receive technical assistance and funding through multiple programs housed within both the Housing and Community Development Divisions at DHCD. This translates into multiple applications, application reviews, contract negotiations, points-of-contact, progress reports, construction inspections, and regulatory and compliance requirements. The pilot will streamline where possible DHCD processes toward more strategic use of available resources.

Funding Level

Initial funding for the pilot will include a portion of the 2015 – 2016 CDBG and HOME allocations. Pilot funding will also include Virginia Housing Trust Fund resources and may include other funding sources where appropriate.

Approximately \$4 million in state and federal resources will be set aside to fund the pilot. The pilot will be limited to two projects (up to \$2 million each).

Please note that the pilot is intended to fund new efforts and is not intended to support projects or activities already funded through DHCD administered resources.

Match Requirements

Proposals that leverage other federal, state, and local resources will be given priority scoring to the degree that these other funds are leveraged in the project.

Each pilot project requires a 25 percent match in locally controlled resources based on the total amount of pilot funding included in the project. The match must be for hard costs only and may include locally controlled HOME funds, fee waivers, local government resources, donated real property, and/or other local funds (e.g., local foundation).

Applicant Eligibility

The selection of pilot projects will be implemented in a two-phase process. The first phase is an open letter of intent with the second phase being a full proposal from those letters of intent selected through a pilot review panel.

DHCD will solicit letters of intent from units of local government, housing developers (nonprofit and for profit), housing authorities, and other local and regional housing, community, and/or economic development organizations.

Applicants with outstanding audit findings, IRS findings, DHCD monitoring findings or other compliance issues will not be considered for the pilot. Please note that DHCD will work with all interested parties where appropriate, to resolve findings and compliance issues.

Applicants and any key partners must be registered in DHCD's Centralized Application Management System (CAMS) and have submitted their current annual audit or as applicable their reviewed financial statement through CAMS in order to be considered for the pilot.

Project Eligibility

DHCD seeks letters of intent or projects serving urban and rural areas within Virginia, but reserves the right to select projects that allow for maximum usage of the available resources.

Following the letters of intent, DHCD will request full proposals for comprehensive projects from select applicants. Proposals must clearly describe the overall comprehensive project and all project activities. A comprehensive project is a project that includes a range of activities such as neighborhood revitalization, downtown redevelopment, homeowner rehabilitation, down payment assistance, rental project development, water/sewer, and/or other infrastructure.

The letters of intent will be reviewed by the DHCD review panel and selected for full proposals based on the following criteria:

- A plan and initial groundwork in place on a comprehensive project that includes at least a housing component;
- Demonstrated success with similar projects;
- Partnerships in place to execute the project; and
- Demonstrated capacity (financial and development team experience).

All invited proposals received in CAMS by the deadlines (TBD) will be evaluated through a review committee based on the following scoring criteria:

- Alignment
- Need
- Project Readiness
- Capacity

Alignment

The alignment criteria is intended to select project proposals that are closely aligned with CDBG, HOME, state, and federal outcomes and objectives. Projects that are strongly aligned must address state [Consolidated Plan](#) priorities. The purpose of the pilot is to help develop the infrastructure and lessons-learned to inform a potentially larger scale application of a combined-resource process. Projects best positioned to otherwise meet all objectives and serve to inform the pilot objectives will be given priority.

Need

Proposal will be evaluated based on the degree to which the comprehensive project and project activities are designed to meet identified local need(s). Please note local needs must be demonstrated by a local market analysis or needs assessment. Priority will be given to proposals based on the needs they seek to address and to the degree to which the proposal is positioned to address the proposed needs and also address CDBG, HOME, state, federal, and Consolidated Plan outcomes and objectives:

- Preservation of existing affordable rental units
- Preservation of existing affordable homebuyer units
- Creation of new affordable rental units
- Creation of new affordable homebuyer units
- Creation of integrated community housing units targeting special needs population
- Employment/infrastructure/community services that primarily benefit very low/ low/ and moderate income households
- Blight removal as a part of a larger revitalization project

Project Readiness

DHCD will review proposals for project readiness. This includes an assessment of the project status, timeline, and a review of project challenges and potential barriers. An assessment of costs and the status of other funding commitments will be included in the evaluation of overall project readiness.

Capacity

Applicant, partner, and development team capacity will be a scoring factor in proposal reviews. DHCD's intention is to select pilot projects where there is existing development, project management, and financial capacity to help assure project progress and successful completion.

Activities

Eligible projects must include a housing component as a key or significant part of the overall project. These projects must be structured to meet identified local needs and help to inform a larger scale application of the combined-resources process. Eligible pilot activities include but are not limited to the following:

Affordable Housing

Projects must include affordable housing activities. Preference will also be given to proposals seeking to provide transit and/or job oriented housing and/or housing with units targeted to individuals with disabilities. Special consideration will be given to any proposal which includes universal design and/or green building components. Eligible activities include:

- Homebuyer Direct Assistance, down payment and closing cost assistance (targeting to 80 percent or below AMI)
- Homebuyer Rehabilitation (targeting 80 percent or below AMI)
- Homebuyer New Construction (targeting 80 percent or below AMI)

- Homeowner Rehabilitation (targeting 80 percent of below AMI)

- Rental Rehabilitation (targeting 60 percent or below AMI)
- Rental New Construction (targeting 60 percent or below AMI)

Economic Development

Applicants are strongly encouraged to address a range of priority community needs, including conditions affecting the economic environment. Project activities which create jobs and business opportunities and/or create better economic conditions through the

elimination of slum and blight will receive additional consideration. Please note proposed pilot projects must also include a housing component.

Eligible activities include:

- Job Creation/Retention
- Site Redevelopment
- Business Readiness
- Business District Revitalization

Community Facilities/Services

Eligible projects may also include activities that provide critical facilities and/or services targeted to low/moderate income households. Please note proposed pilot projects must also include a housing component. Eligible activities include:

- Water/Sewer
- Health Clinics
- Workforce Development Centers
- Daycare Centers (associated with employment)

Timeline (Tentative)

How to Apply Workshops	August 2015
Release of Letter of Intent	August 25, 2015
Letters of Intent Due (six weeks)	October 6, 2015
Letter of Intent Reviews (complete)	October 31, 2015
Site Visits	Week of November 2, 2015
Invitation for Full Proposals	November 11, 2015
Full Proposals Due (eight weeks)	January 29, 2016
Proposal Reviews (complete)	February 10, 2016
Contract Negotiations	February 10 – June 30, 2016
Pilot Project Under Contract (goal)	July 1, 2016