



Port Host Communities Revitalization Fund (PHCRF)

PUBLIC INPUT SESSION: JUNE 3, 2019





FY 2020 Budget Language

“\$1,000,000 THE SECOND YEAR FROM THE GENERAL FUND IS DESIGNATED FOR *REMOVING, RENOVATING, OR MODERNIZING PORT-RELATED BUILDINGS AND FACILITIES IN THE CITIES OF PORTSMOUTH, NORFOLK, NEWPORT NEWS, RICHMOND OR FRONT ROYAL.*”



Port Related Definition

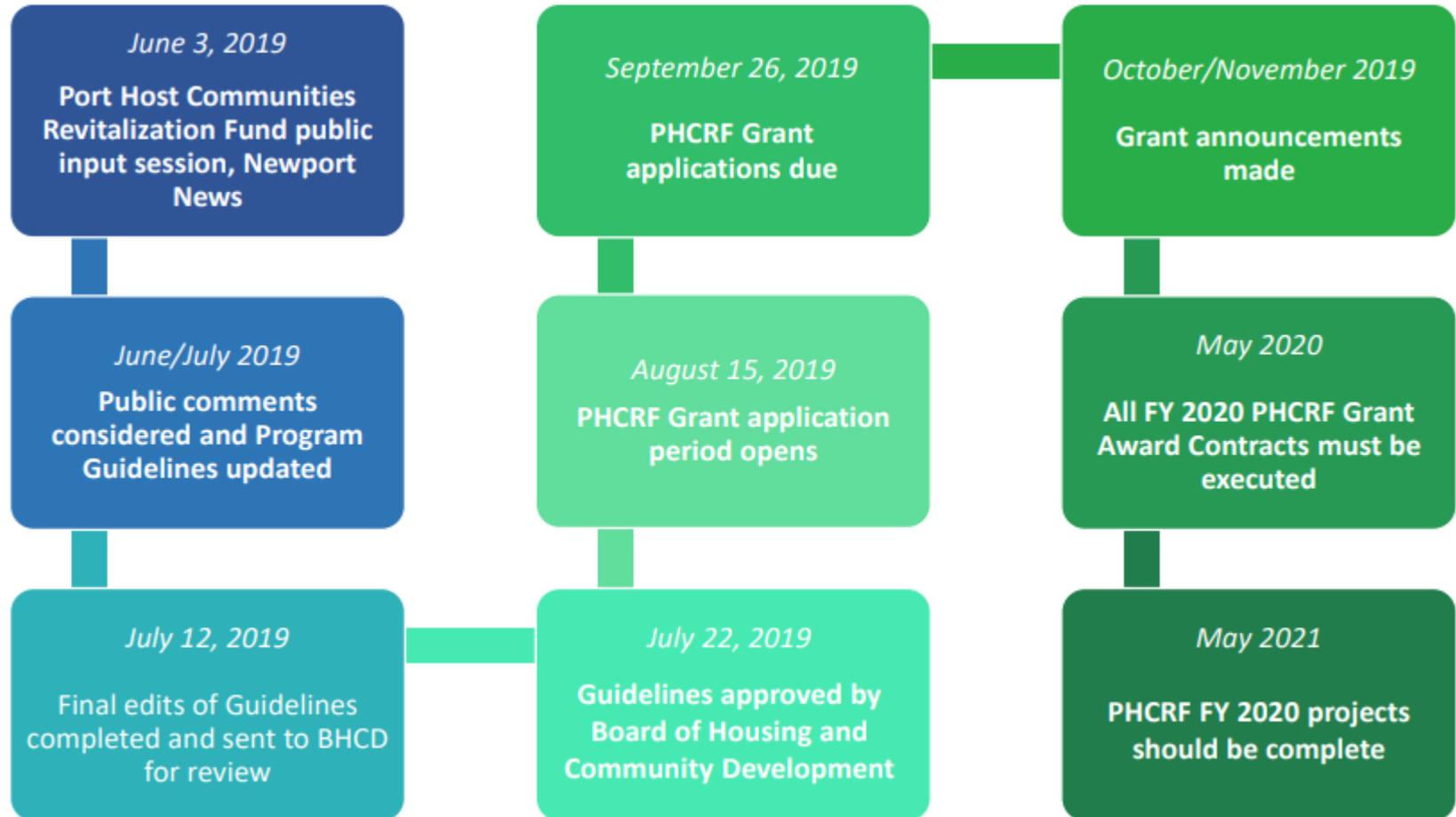
For the purposes of this program, the term “port related” will be considered to mean:



- ANY NON-RESIDENTIAL STRUCTURE THAT WAS BUILT OR USED FOR A PURPOSE RELATED TO PORT ACTIVITIES
- IS LOCATED NEAR THE PORT SO AS TO BENEFIT FROM PORT ACTIVITIES
- IS LOCATED ON OR NEAR A TRANSIT ROUTE (RAIL OR HIGHWAY) THAT SERVED/SERVES THE PORT



PHCRF Timeline





Eligible Applicants

ANY PORT HOST COMMUNITY:

- FRONT ROYAL/WARREN COUNTY
- NEWPORT NEWS
- NORFOLK
- PORTSMOUTH
- RICHMOND



***LOCAL GOVERNMENTS MAY APPLY FOR PHCRF AWARDS**



Award Amount

Each of the PHC's may apply for **\$150,000**.

- An additional pool of **\$300,000** will be available on a priority basis determined by applicant's statement of need
- The ***maximum award of \$300,000*** will be made to any locality per fiscal year.



Eligible Projects

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 Projects

SHOULD DEMONSTRATE:

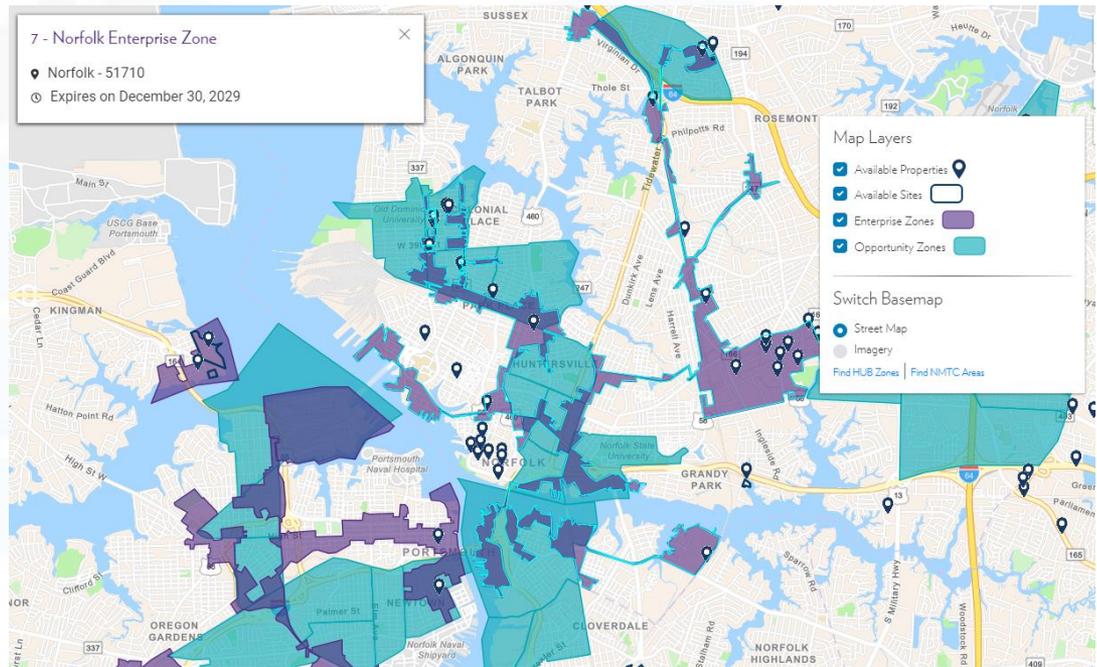
1. CLEAR RELATIONSHIP TO A LOCAL OR REGIONAL ECONOMIC DEVELOPMENT STRATEGY.
2. HIGH DEGREE OF BLIGHT AND DETERIORATION TO BE ADDRESSED.
3. PROJECT READINESS.
4. PROJECT WITH A CLEAR END USE.
5. END USE WILL HAVE A CLEAR AND SIGNIFICANT COMMUNITY ECONOMIC IMPACT.





Other Considerations

- RELATIONSHIP TO BROADER REGIONAL EFFORTS
- LOCAL INCENTIVES
- LOCATION IN AN ENTERPRISE ZONE, OPPORTUNITY ZONE, HISTORIC DISTRICT, ETC.





Definition of Blight

PHYSICAL BLIGHT:

**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."

ECONOMIC 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.





Eligible End-Uses

ELIGIBLE PROPERTIES AND STRUCTURE MAY BE REDEVELOPED FOR ANY MARKET-DRIVEN PURPOSE INCLUDING:

- Commercial
- Industrial
- Retail
- Mixed-Use
- Shell Building
- Site Clearance
- Residential



****REGARDLESS OF THE ORIGINAL USE**



Ineligible End-Uses

IT IS NOT THE INTENT OF THE PHCRF PROGRAM TO FUND:

- New construction
- Scattered Site projects
- Development of greenfield properties



Other Requirements

- TO DEMONSTRATE PROJECT VIABILITY AND THE APPLICANT'S COMMITMENT, APPLICANTS ARE REQUIRED TO PROVIDE A **100 PERCENT (1:1) LOCAL MATCH** FROM PRIVATE AND/OR PUBLIC SOURCES
- ALL PROJECTS MUST BE READY TO EXECUTE A CONTRACT OR PERFORMANCE AGREEMENT FOR THE PHCRF FUND WITHIN **SIX (6) MONTHS** OF THE GRANT AWARD ANNOUNCEMENT
- ALL PROJECTS WILL BE REQUIRED TO HAVE A DEED **COVENENT/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



Award Structure

All PHCRF awards will be made as grants to the LOCALITY.

If the project property is owned or will be owned by a for-profit entity, the local government will lend the award to the for-profit entity and the proceeds will be returned to a revolving loan fund operated by the locality in perpetuity.



Award Structure

The following standard terms and conditions will apply to all projects, unless DHCD determines that a regionally significant project requires more favorable terms. Terms of the loan must be agreed to by DHCD.

- Interest rate: 2.5%
- Amortization: 10 years
- Environmental Review

**DHCD will require an executed performance agreement with the developer.*



Award Structure

If the locality is unwilling to manage the loan, or, by DHCD's determination, unable to manage the loan, the loan may be underwritten by Virginia Community Capital (VCC).

In this case, VCC will require a commitment fee of 1%.



Eligible Use of Funds

PHCRF Program is flexibly designed so that funds can be used for a wide variety of revitalization and redevelopment activities such as:

- Acquisition
- Rehabilitation
- Repair (including securing and stabilizing for subsequent reuse) of specific structures
- Site Remediation, demolition, removal, and other physical activities.





PHCRF Application

The application will be available shortly after the BHCD approved the program guidelines.

It will consist of 4-6 narrative questions pertaining to:

- Project selection process
- Project details
- Current project condition
- Expected benefits
- Readiness

It will also require budget attachments, including sources and uses of funds, as well as requests for documentation.



Application: Statement of Need

All Port Host Communities may apply for additional funds of between \$50,000 and \$150,000 for their prioritized project.

The amount of additional funding should be based on the funding gap for the individual project.

DHCD reserves the right to reduce or pro-rate the amount awarded, based on an internal funding analysis and/or demand for the limited funds.

Application for Statement of Need Funding shall be made at the time of application for the PHCRF by answering additional questions in the CAMS application.



PHCRF Application

Applications for PHCRF funding must be submitted through DHCD's Centralized Application Management System (CAMS).

If you don't already have a profile, you will need to create one:
<https://dmz1.dhcd.virginia.gov/camsportal/Registration.aspx>

DHCD CAMS

Search Programs Registration Login User Guide

CAMS Organization Registration

Your organization must register in order to access funding through DHCD. Please note that DHCD does not provide direct assistance to individuals. Only one profile per organization is allowed.

Organization Primary Profile Manager/Contact

The profile manager below will be responsible for receiving profile notifications and will be required to keep the profile up to date.

*First Name: *Last Name:
*Contact Title: Cell Number: - -
*Contact Phone: - - Extension:
*Contact Email:

Organizational Information

*Organization Name: *Street Address:
*City: Address Line 2:
 Check this box if the organization address listed above is the mailing address. *ZIP Code:
*Mailing Address: Address Line 2:
*City: *ZIP Code:

CAMS Rules:

-Locality/Organization must submit

-Assign staff to roles for assistance as needed, don't share password

-Internet Explorer or Chrome are the recommended browsers

-Save often. Use "Save this" tab before moving to another section



Application Prioritization

A locality may only submit **one application** per funding round; therefore, localities must identify and authorize the project that will have the most meaningful impact on local community revitalization and economic development efforts.

As such, a resolution from the local Chief Administrative Officer authorizing the request for funding is an application requirement.



Anti-Churning Statement

It is not the intent of the PHCRF 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.



Contact Information

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