

VIRGINIA
DHCD

**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**

Partners for Better Communities

DHCD Budget Update:

Investments in Eviction Prevention, Affordable
Housing, Broadband and Main Street

HAC: Commerce, Agriculture & Natural Resources Subcommittee
January 15, 2021

Erik Johnston, Director
Department of Housing and Community Development

DHCD is committed to creating safe, affordable and prosperous communities to live, work and do business in Virginia.



- Virginia Housing Trust Fund
 - Rent and Mortgage Relief Program (RMRP)
 - Affordable Housing Construction and Rehabilitation
 - Homeless Reduction Grants
- New Federal Emergency Rental Assistance
- Eviction Prevention & Diversion Pilot Program
- Main Street Recovery
- Broadband Expansion - Virginia Telecommunication Initiative (VATI)

The Virginia Housing Trust Fund (VHTF)

- The Commonwealth’s most proven & effective tool for assisting local and regional efforts in creating housing affordability and homelessness reduction solutions
- Governor’s proposed budget would bring \$125.7 million total investment over two years (Current funding is \$55 million annually)
- \$15.7 million increase in FY 21 for RMRP bridge funding (eviction prevention)

Introduced Budget Amounts	
FY2021	FY2022
\$70,700,000	\$55,000,000

- RMRP capacity scaled up and emergency rental assistance needs have increased
- DHCD, in partnership with Virginia Housing, has deployed \$62 million in federal CARES CRF funds and estimated to need at least \$38 million to bridge until new federal emergency rental assistance
- Waiting on U.S. Treasury determination on whether any of trust fund dollars spent can be replenished
- If Trust Fund not increased the critical long term investments to produce new affordable housing and reduce homelessness will be decreased and current robust pipeline of projects have already applied

Estimated FY21 Virginia Housing Trust Fund Allocation	
Loans	
Competitive Loan Pool	\$16,680,000
Grants	
Rent and Mortgage Relief Program (RMRP) – unused flows to loan pool for increased affordable housing production	\$40,072,000
Homelessness Reduction Competitive Grant Pool	\$10,820,000
Permanent Supportive Housing – Predevelopment Grants	\$300,000
Administration	\$2,828,000
Total	\$70,700,000

- 528 households helped for mortgages and 16,234 households helped for rent as of December 30, 2020 for a total of 16,762 households helped since inception of RMRP
- Out of the households that have received payments since the inception of the program, over 62% included children under 8 years old and 52% included children ages 9-17.
- Of those who identified their race, Black households accounted for more than 49% of those served, and white households accounted for 31% of those served.

Competitive Loans 2019-20

- 37 Applications
- \$ 27.7 million requested
- \$ 11.2 million awarded
- \$ 297,000,000 leveraged
- 16 projects funded/ 1,308 units

Homeless Reduction Grants 2019-20

- 37 Applications
- \$3.1 million requested
- \$2.34 million awarded
- 28 awards

Federal Emergency Rental Assistance

- The Commonwealth is projected to receive \$569.6 million in Emergency Rental Assistance through U.S. Treasury funding by the end of January 2021
 - Localities with a population over 200k can request their state share of the allocation (based on determination by U.S. Treasury)
 - Most funds must be deployed in calendar year 2021, which is extremely tight timeline and program must serve households at 80% or less of Area Median Income (AMI) with priority assistance to households with 50% or less AMI
- Law fits well with current state RMRP program but program guidelines not released
- Administration plans to scale up delivery capacity and outreach to deploy these resources through one statewide landlord portal door and one statewide tenant portal (except in large localities that decide to manage their own program)
- Governor and General Assembly positioned Virginia well as the Commonwealth was first state to have statewide capacity in both landlord and tenant application process and other states are working to model after Virginia approach

Virginia Eviction Reduction Pilot (VERP)

- 2020 Special Session of GA approved \$3.3 million for an eviction prevention and diversion pilot for FY21 and Governor's budget amendments continue the program in FY 22.

Introduced Budget Amounts	
FY2021	FY2022
\$3,300,000	\$3,300,000

- DHCD developed VERP Guidelines and is currently accepting applications for [VERP](#)
- Deadline January 8, 2021 with anticipated awards in February
- Funds will be critical to the long term effort to develop best practices in eviction prevention and diversion in localities with high eviction rates

Virginia Main Street Program

- The current economic crisis has had a disproportionate impact on Main Street small businesses. **The Virginia Main Street (VMS)** program has seen great success in spurring economic vitality and real estate development and redevelopment.
- DHCD's **Community Business Launch (CBL)** is a sub program of Virginia Main Street and has a proven record of successfully seeding and supporting small business startups statewide. Through targeted training programs, mentorship networks, and financial and in-kind professional support, entrepreneurs are provided with the tools needed to create jobs and fill vacant storefronts.
- Current funding for both efforts in total is \$500,000 annually

Virginia Main Street Program

- Increased funding will target blighted or disinvested commercial districts in rural, suburban, and urban areas of the Commonwealth, employing resources to support recovery and resiliency in Main Street scale businesses, with focus on small, micro, and sole proprietor businesses, as well as woman-owned and minority-owned businesses.
- Increasing the Technical Assistance and Grant funding available through the Virginia Main Street program to provide ability to serve all sizes of localities and to increase capacity to provide targeted technical assistance to hard hit commercial districts, with an emphasis on outreach to minority and immigrant communities and districts.
- Funding for CBL program would capitalize on, and support, the anticipated potential wave of small business start-ups resulting from jobs lost as a result of the pandemic.

Introduced Budget Amount

FY2022

\$3,500,000

\$3 million budget increase to aid in recovery through

- Grants
 - \$1 million - Virginia Main Street Recovery (paid to non-profits and governmental agencies)
 - Direct Small Business and Entrepreneurial Support and Training
 - Assist local businesses in moving to e-commerce
 - Support façade and systems improvement programs
 - Develop promotional campaigns in support of local businesses
 - \$1 million - Community Business Launch
 - Serve approximately ten (10) communities per grant cycle with assistance for new and existing businesses
- Technical assistance for communities to deploy with their businesses
 - \$1 million (unexpended funds will be applied to grant programs)
 - E-commerce development
 - Marketing and promotions
 - Feasibility studies
 - Façade renderings and floor plan development
 - Market studies and prospectus development

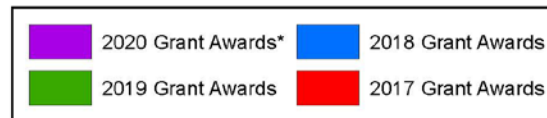
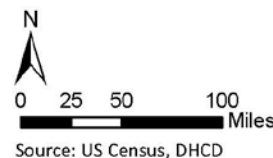
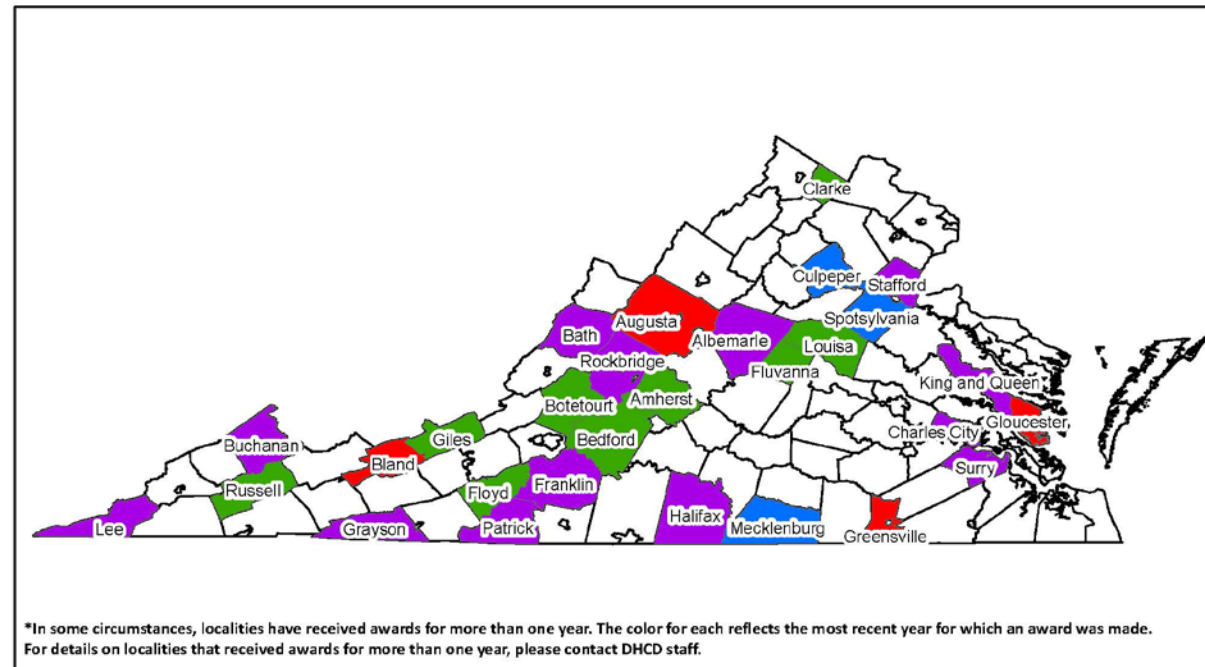
Introduced Budget Amount
FY2022
\$49,725,000

- Currently \$49.7 million annually, Governor's introduced budget increases by \$15 million annually
- The VATI program, administered by the Department of Housing and Community Development (DHCD), funds public-private partnerships to supplement broadband infrastructure construction costs to extend service to areas not served by a broadband provider.
- VATI funds one-time capital improvement projects to build last-mile broadband to unserved communities.
- Previous investments have been critical to households and businesses during the pandemic and this investment is both an emergency response to the pandemic and a long term investment in achieving universal coverage.

Virginia Telecommunication Initiative (VATI)

- To date, VATI has awarded \$25 million to 29 localities, connecting 53,254 homes, businesses and community anchors. VATI's latest \$49.7 million round, will be announced in the coming months and is expected to connect tens of thousands more Virginians

2017 - 2020 VATI Grant Awards



1/2/2020

FY2017-FY2020

- 100 Applications
- \$ 61,439,630 requested
- \$ 25,000,000 awarded
- \$33,583,704 leveraged
- 53,254 connections
- 31 projects awarded across localities

FY2021 - \$49,725,000 in VATI Funds

- 45 Applications from 53 localities
- \$ 105,000,000 requested
- \$ 105,000,000 leveraged

CARES Act Broadband Funding Awards

30,822

Virginia Homes and Business Connected

24,026

More Locations with access to broadband

6,796

Locations with more affordable broadband

71

Total Projects

50

Localities Served

Projects by Type:

5 Affordability
33 Last Mile - Fiber
12 Last Mile - Fixed Wireless

11 Middle Mile
2 Mobile Hotspot
8 Public Wifi