

# Budget Initiatives

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VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT

*Partners for Better Communities*  
[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)

# Overview

- Coordination with HHR agencies on DOJ related housing for persons with intellectual and development disabilities
- Housing Trust Fund
- Virginia Grocery Investment Fund
- Broadband

# Common Approach

- DHCD uses funding provided through General Assembly to leverage private investments to implement projects that would not be possible without the State's investment.
- DHCD seeks input from stakeholders throughout the state to ensure the diversity of the Commonwealth is represented as programs are designed and implemented.

# Housing for ID/DD

- Housing is a key component of responding to DOJ settlement agreement as the state seeks to provide more community housing options.
- Collaboration is key in addressing capacity and aligning resources
- Many ID/DD individuals will live in a group home but as many as 10% could live independently with proper supports
- System transformation and coordination are a key
  - State agencies, non-profits, CSB's and Private entities
- DHCD, VHDA, DMAS and DBHDS have been working together for past three years

# Housing for ID/DD

- Critical components
  - Building a well coordinated and collaborative delivery system
  - Matching services with housing
    - Redesign of ID/DD waiver
    - Rent subsidies- vouchers and rental assistance
  - Incentivizing private housing providers to target units for individuals with intellectual and developmental disabilities

# Housing for ID/DD- Accomplishments

- Boot camp- Housing and Supportive Services collaborative to address capacity and work to align existing housing resources
- DHCD and VHDA have prioritized this population in existing programs
  - Tax credits
  - Subsidy loans
  - Rent subsidies
  - Capacity grants
- VHDA and many local Housing Authorities have set asides or give preference to individuals with intellectual and developmental disabilities in the Housing Choice Voucher program
  - 200 rent vouchers



# Housing Trust Fund

- Introduced Budget
  - \$10M each year of the biennium (\$4M base and \$6M new)
  - Primarily for subsidized loans however per statute up to 20% used for grants to address homelessness and foreclosure
  - Within grants priority on addressing homelessness among youth and families

# Housing Trust Fund

- HTF creates and preserves affordable housing and assists in reducing homelessness
- In many of Virginia's housing markets employees in key economic sectors – including many public sector jobs – cannot afford homeownership and often struggle to rent decent housing.
- Virginia has made significant strides in reducing homelessness in recent years. From 2010 to 2015, overall homelessness decreased 23 percent while family homelessness decreased 25 percent. HTF has provided permanent supportive housing for the homeless including veterans
- Additional appropriations would allow DHCD to expand efforts to address the affordable housing priorities in the Commonwealth.
  - Permanent supportive housing
  - Special needs housing
  - Veterans housing
  - Reform of public housing
  - Critical rental housing needs in high cost markets

# 2015-2016 HTF

2015-16 Virginia Housing Trust Fund Allocation	
<b>Loans</b>	
Competitive Loan Pool	\$5,523,892
Comprehensive Neighborhood Revitalization Pilot	\$1,500,000
<b>Grants</b>	0
Homelessness Reduction Competitive Grant Pool	\$1,000,000
Administration	160,000
<b>Total</b>	\$8,183,892*

- Demand
  - Nearly \$1.8 million requested for the \$1 million in Homeless Reduction Grant (22 applicants)
  - Nearly \$18 million requested for the \$5.5 million in the Competitive Loan pool (31 applicants)
  - Eight applications received for the Neighborhood Revitalization Pilot (Vibrant Communities Initiatives) program, representing a total of over \$19 million in requests.

# 2013-2014 HTF

2013-14 Virginia Housing Trust Fund Allocation	
<b>Loans</b>	
Competitive Loan Pool	\$5,400,000
Foreclosure Rehabilitation Loans	\$1,000,000
<b>Grants</b>	
Competitive Grant Pool (Homeless Reduction)	\$930,000
Foreclosure/Homeowner Counseling	\$500,000
<b>Administration</b>	\$170,000
<b>Total</b>	\$8,000,000

- 2013-2014 Demand
  - Nearly \$5 million requested for the \$1 million in Homeless Reduction Grant
    - 58 applicants – 10 awards offered
  - Over \$15 million requested for the \$5.4 million in the Competitive Loan pool
    - 29 applications – 9 awards offered

# 2013-2014 HTF

- Approximately \$5.3 million in HTF resources invested in creating or preserving affordable housing
  - Many projects serving very low and extremely low income populations that are hard to serve, such as chronically homeless and persons with intellectual and developmental disabilities
  - Total project costs exceed \$40 million
  - Over 300 affordable housing units created or preserved
- 250 individuals and families assisted through homeless reduction and permanent supportive housing assistance.
- Over 2,400 individuals served with client education and over 2,900 served through help with resolving or preventing mortgage delinquency
- Over 34 foreclosed properties to date have been acquired and 16 have been resold and are now in productive use again.

# Research- HTF

- The Virginia Center for Housing Research at Virginia Tech has been working to compile the impact of these investments through a study commissioned by Housing Virginia.
- VCHR estimated the total economic impact of \$7,092,881 investment plus \$40,029,030 in leverage funds:

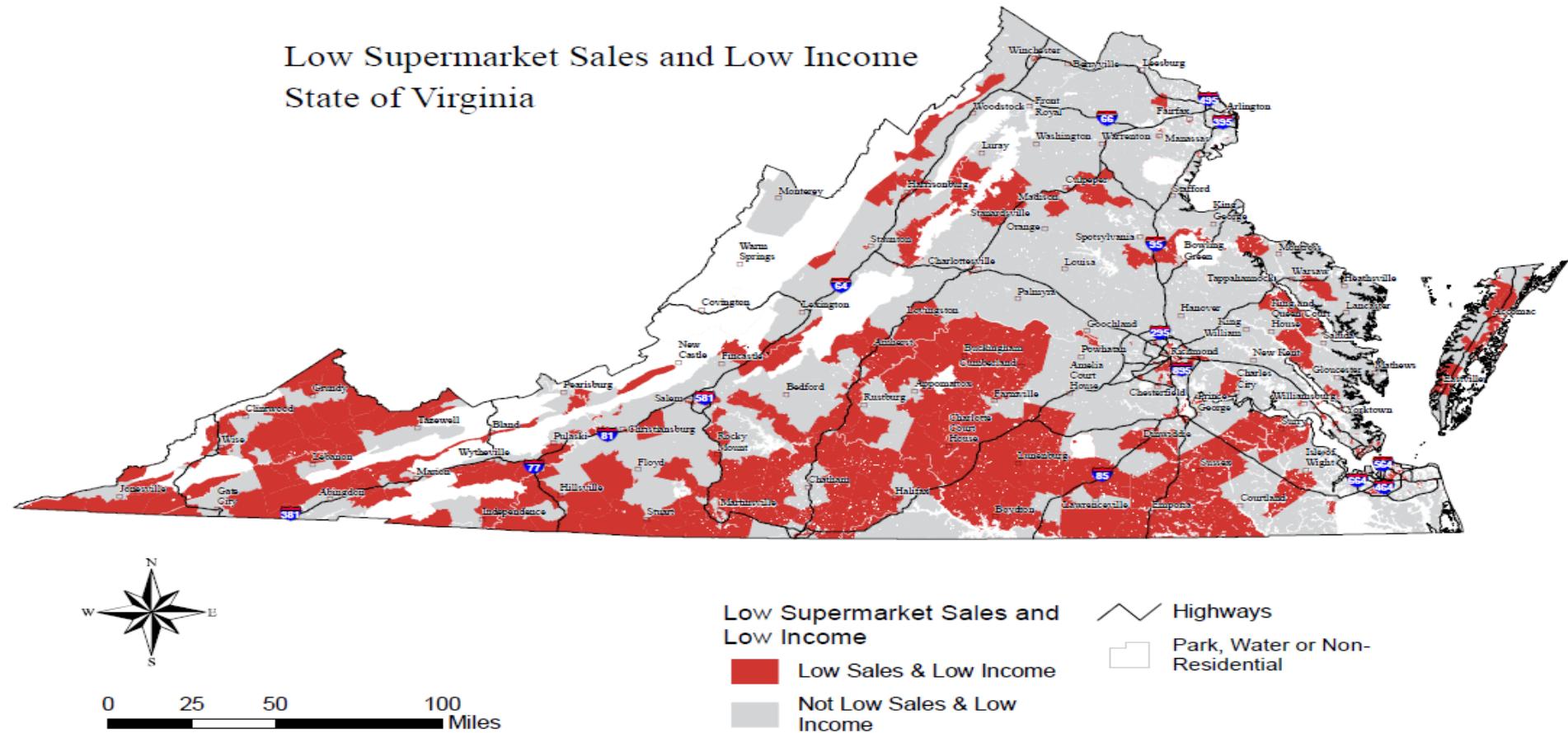
	Economic Impact, Total of Projects & Programs Studied <sup>①</sup>		
	Jobs	Earnings	Regional Growth
HTF Investment	84	\$4,054,823	15,667,537
HTF Investment + Leveraged Funds	533	\$23,014,396	\$98,439,796

- VCHR estimates that the Foreclosure Rehabilitation and Competitive Loan Pool projects generated \$524,703 in local and state revenues during construction or at the transfer of property.
- VCHR estimates that the Foreclosure Rehabilitation and Competitive Loan Pool projects should generate at least, \$268,520 in local tax revenues annually

# Healthy Foods

- Introduced Budget
  - \$5M each year of biennium in an investment fund to ensure access to healthy and affordable food to underserved communities, both rural and urban
    - The \$10M total would leverage private funds to assist up to 20 grocery store developments
    - Up to \$90 million in additional private and public financing expected
  - The Fund would create a public-private partnership by providing flexible loan and grant financing to leverage private investments for the development of supermarkets and other healthy food retail stores.
  - The Fund would assist businesses to overcome some of the barriers to locating in underserved rural and urban markets and will encourage a store to locate in a lower income community that does not have access.

## Low Supermarket Sales and Low Income State of Virginia



Data: Nielsen TDLine Custom Store Analysis, 2015  
US Census, American Community Survey, 2009–2013  
Virginia Department of Health, 2013

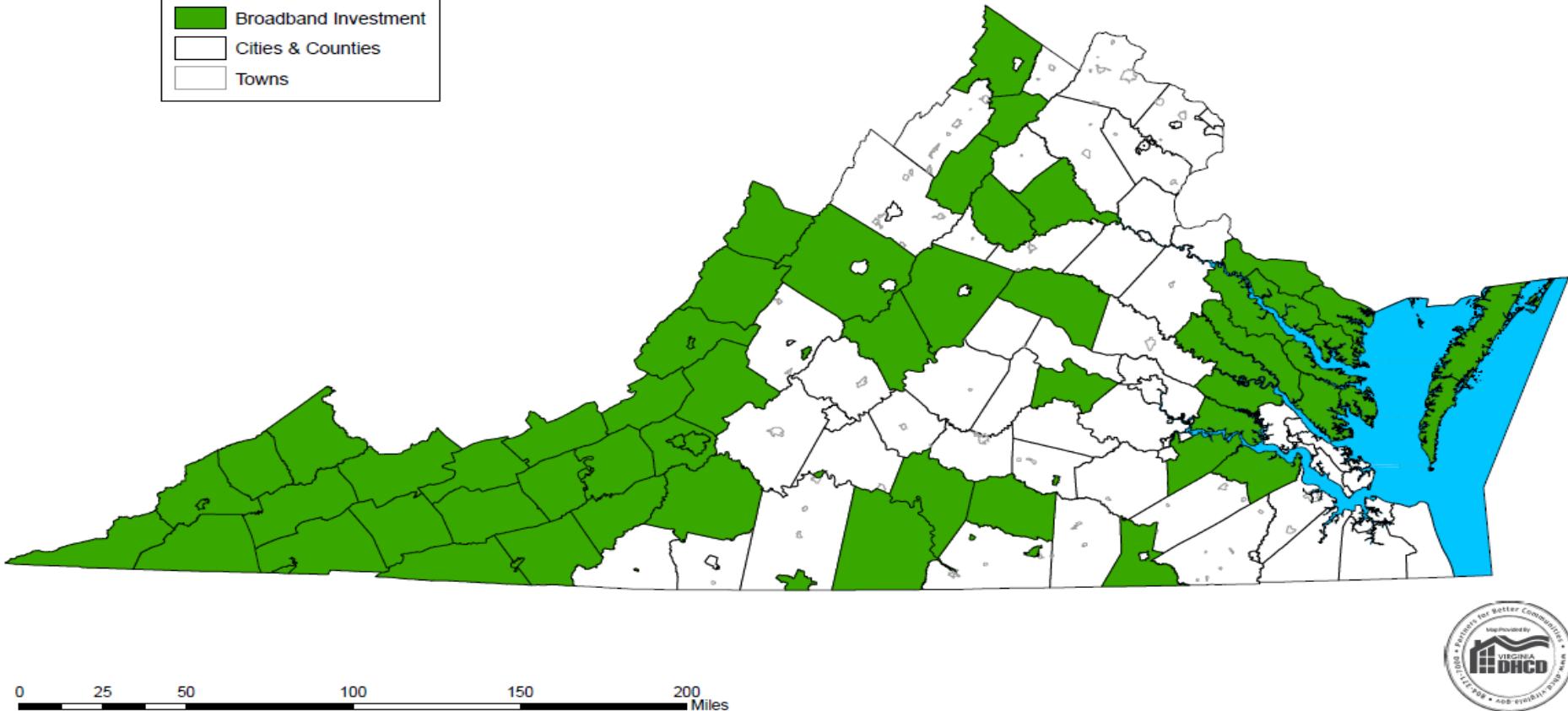
# Healthy Foods

- More than 1.7 million Virginia residents, including 480,000 children, live in areas with limited grocery store access.
- The uneven distribution of grocery stores leave a disproportionate number of people who are lower income without access to nutritious food which can lead to diet related diseases
- Grocery stores serve as community development anchors.
- Investing in access to healthy foods is critical in bridging the Nutritional Divide by spurring economic development, creating jobs, improving overall community health, and helping to build a “New Virginia Economy”
- Models in other states and a pilot project in Newport News, Jim’s Local Market

# Broadband

- Introduced budget
  - \$2,750,000 each year of the biennium
    - \$250,000 for Broadband planning grants each year of biennium
    - \$2.5M for Broadband Implementation grants each year of biennium
  - This funding will enhance current planning and implementation efforts. DHCD has a demonstrated track record of broadband investment to further community economic development. \$500K in state funded planning grants awarded to 9 projects in FY2015.
- Planning grants- assist communities in developing strategic plans including demonstrating a market, preliminary engineering, and technical and legal assistance, and exploring opportunities to partner with private providers and leverage additional financing.
- Implementation grants -will leverage private, state and federal loans for broadband deployment. Assistance and help to ensure communities have the telecommunications infrastructure necessary to compete in a global market.

# DHCD Broadband Investments 2002 - 2015



0 25 50 100 150 200 Miles



# Broadband

- Broadband is an essential infrastructure to ensure our communities will grow and thrive in the global economy. It is crucial in education, public safety, health care and civic life. Many rural communities are left behind to pay a higher price due to their lack of access.
- According to the Center for Rural Strategies, less than half of rural adults have access to broadband, while two-thirds of urban and suburban adults do.
- Providing affordable, high-speed telecommunications is a pillar of rural economic restructuring and essential to the re-invention of a community's economic base and the creation of an asset-based approach to economic vitality.

# Broadband

- Existing fund sources assisting with broadband implementation are often structured as loans (VRA and USDA)
- The State funds provided for implementation will help to provide the “gap financing” necessary to encourage private providers to extend their availability to rural communities.
- Assistance will focus on underserved markets and coordinated with new Connect America Fund investments where appropriate
- Anticipate funding up to 10 Broadband Planning grants and 15 implementation projects in communities and regions throughout the state.