

Trends

No Data Available

Legend:

↑ Increase, ↓ Decrease, ↔ Steady

Key Performance Areas

No Data Available

Productivity

No Data Available

Legend:

↑ Improving, ↓ Worsening,

↔ Maintaining

For more information on administrative key, and productivity measures, go to www.vaperforms.virginia.gov/agencylevel/index.cfm

Background & History

The Virginia Department of Housing and Community Development (DHCD) is committed to creating safe, affordable, and prosperous communities to live, work and do business in Virginia. DHCD partners with Virginia's communities to develop their economic potential, increase entrepreneurial capacity, and help produce affordable neighborhoods. By partnering with local governments, nonprofit groups, state and federal agencies, and others, DHCD is working to improve the quality of life for Virginians.

DHCD invests more than \$100 million each year into housing and community development projects throughout the state - the majority of which are designed to help low-to-moderate income citizens. This strategic investment of financial and technical resources fosters an environment that attracts private sector development and investment in communities. DHCD works to encourage and promote regional economic collaborations in economically-distressed areas to stimulate job creation, economic development and build community capacity and leadership. By advocating for communities to work together on a regional basis, there are greater opportunities to package experiences more broadly, offering a wider array of economic opportunities to the communities.

DHCD implements comprehensive neighborhood revitalization strategies to improve the living conditions within communities by rehabilitating the housing stock, upgrading the infrastructure, removing blighted structures, adding new affordable housing opportunities, and increasing the safety within those areas.

DHCD collaborates with community partners to address their affordable housing and homeless needs. The agency recognizes that safe and affordable housing is a critical component of a comprehensive approach to economic and community development.

DHCD also promulgates Virginia's building and fire codes and provides training and certification for building officials in Virginia. These codes strive to strike a reasonable balance between building affordability and safety.

The Commission on Local Government (CLG) promotes the viability of Virginia's local governments by fostering positive intergovernmental relations through activities such as reviewing boundary change and governmental transition actions; providing technical assistance to local governments and citizens; and estimating the cost of local mandates and calculating fiscal stress.

Primary Product & Services

DHCD's programs and services are often viewed as the "first rungs" on the ladder of economic development in communities across Virginia. DHCD takes a comprehensive and collaborative approach to working with localities to best prepare and position them to progress economically. DHCD works to provide a foundation of understanding, planning and increased capacity to pursue economic development initiatives. DHCD community development programs are designed to support economic development, infrastructure and housing improvements, and the revitalization of Virginia's distressed areas. The ultimate objective of DHCD is to improve the quality of life in Virginia's communities.

DHCD collaborates with localities and federal and state partners to make strategic investments in communities. Through all of its programs, DHCD emphasizes building the capacity of communities and regions to improve their overall quality of life. DHCD works to invest resources in areas that address economic development needs and issues on a regional, rather than local, basis. By working in partnership with other jurisdictions and municipalities, distressed areas could greatly enhance their overall economic impact throughout the region.

Programs and services provided through DHCD have a primary focus of improving the quality of life for citizens and communities throughout Virginia. DHCD seeks to enhance community well-being through programs that focus on: (1) comprehensive regional

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economic development, (2) increasing entrepreneurial capacity, and (3) enhancing downtown/commercial revitalization. The agency implements a wide array of economic development strategies aimed at creating new jobs, spurring private investment, and improving the overall economic environment.

DHCD works in collaboration with communities throughout the Commonwealth as part of its comprehensive approach to addressing affordable housing needs through: housing production; housing preservation and rehabilitation; permanent supportive housing; homeless prevention and special needs housing.

The Virginia statewide building and fire regulations, including the Virginia Uniform Statewide Building Code (USBC) and the Virginia Statewide Fire Prevention Code (SFPC), promote the safe, healthy, accessible, and affordable construction of all buildings and structures. Maintaining uniformity in the application of the building code across the Commonwealth is a key commerce and trade issue. Safe buildings and communities result from strategic partnerships between citizens, architects, builders, code officials, and trades people. DHCD supports the Board of Housing and Community Development in promulgating the Uniform Statewide Building Code and Statewide Fire Prevention Code. These codes strive to strike a reasonable balance between building affordability and safety.

Customer Base

The primary focus of the agency's housing and community development activities is on communities demonstrating the greatest need. This includes economically distressed communities that lack the employment opportunities, resources or facilities that are essential prerequisites of a dynamic local economy. Generally, DHCD provides programs to assist low- and moderate-income individuals and households, the elderly and disabled, persons and families who are either homeless or face an imminent threat of becoming so, and economically distressed communities.

In its housing and community development operations, DHCD gives a high priority to those customers – whether individuals, households or communities – with a limited capacity to reach desired goals. Providing households and communities access to the opportunities available in Virginia's expanding economy is an important component of the state's effort to sustain economic growth and development.

The agency's efforts in building and fire regulations further buttress the efforts to assure the health and safety of all Virginians and the built environment. Toward this end, the emphasis on the standardization of building and fire code and regulatory provisions, including consistency in their interpretation and uniformity in their application, promotes and facilitates code compliance in building planning, design, and construction.

In keeping with its emphasis on enhancing opportunities for community development in Virginia's localities, the Department is maintaining its commitment to working with communities in identifying the areas of greatest need and assisting through its grant and loan programs in meeting those needs. DHCD is positioning itself to work with localities, non-profit organizations, and other partners in responding to specific areas of anticipated need, including; growing numbers of disabled, elderly, and homeless households that are creating a higher demand for housing with access to critical supportive services. Increases in the number of requests for assistance for home modifications are resulting from an increase in the elderly population that is attempting to remain independent.

Customer Listing

No Data Available

Key Agency Statistics

DHCD works with localities and federal and state partners to deliver programs to create safe, affordable, and prosperous communities throughout Virginia. The ultimate goal of DHCD programs is to improve the quality of living in Virginia communities. The statistics highlighted in the table below provide a snapshot of some of the impacts DHCD makes on lives and communities.

In addition to those statistics, DHCD continues to be recognized as a national leader in their programs to improve the quality of life in rural communities, with initiatives around heritage tourism and self-help programs leading the way. In Southwest Virginia, a grassroots, heritage-based movement overseen by the Southwest Virginia Cultural Heritage Foundation (SWVCHF), illustrates the transformative effect of this economic development strategy, with the Crooked Road: Heritage Music Trail as an outstanding example of asset-based development approach. An assessment based on fiscal year 2008 indicates a \$23 million annual impact of The Crooked Road on the economy of the ten county region served by The Crooked Road. Additionally, a recent Virginia Tourism study, reported five of the 15 Virginia localities with the greatest increase in tourism expenditures since 2006 were those in Southwest Virginia.

Virginia has received national recognition for its innovative Self-Help Virginia program. Self-Help Virginia is a resource for small communities to meet the challenge of creating viable and affordable water and wastewater systems. The goal of the program is to utilize neighborhood talent, manpower and creativity to provide water and sewer services in areas where those services are difficult to

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provide through conventional means. As a result of the collaborative effort between communities, local governments and state government through this program, more than 1,500 households have received water and/or sewer service. These projects represent an investment of over 140,000 man-hours of volunteer time and labor resulting in the installation of more than 145 miles of water pipe. The cumulative retail total of the construction completed to date is in excess of \$25,000,000 and has been completed for approximately \$10,000,000, or 40% of the conventional cost.

Virginia is one of seven states having a mandatory system of uniform statewide building and fire regulations enforced by both the state and local government entities and prohibiting local governments from adopting local amendments, with the exception of more restrictive local fire ordinances. DHCD is a national leader in the education and training of code enforcement officials and technical assistance through the Jack A. Proctor Virginia Building Code Academy (JPVBCA). The training programs of several states are based upon and modeled after the exemplary JPVBCA. To uniformly enforce the state building, fire, and related regulations, Virginia mandates certification, supported by education and examination, and maintained with periodic training and continuing education, of its code enforcement professionals to ensure a high level of knowledge, skill, competency, proficiency, and professionalism.

Finances

The Department of Housing and Community Development's (DHCD's) funding comes from federal funds (49.65%), general fund support (45.30%), and special funds along with other nongeneral funds (5.05%) as per the 2012 Virginia Acts of Assembly Chapter 3. DHCD provides General Fund (GF) grant funding for Housing Assistance and Homeless programs, Enterprise Zone grants, Indoor Plumbing Revitalization program, and the Industrial Revitalization Fund, DHCD receives pass-thru funding for several entities and organizations including the 21 Planning District Commissions (PDCs), the Southeast Rural Community Assistance Project (formerly known as the Virginia Water Project), the Center for Rural Virginia, and the Fort Monroe Authority.

Fund Sources

No Data Available

Revenue Summary Statement

The predominant source of revenue for the Department of Housing and Community Development (DHCD) is received from the Federal government for grants to non-entitlement localities and nonprofits that apply for and receive funding for housing and community development projects. DHCD is entering the final fiscal year (FY 2013) of spending Department of Energy weatherization funding from the American Recovery and Reinvestment Act (ARRA) programs. The major non-stimulus federal grants are received from the Department of Housing and Urban Development (HUD) and consist of Community Development Block Grants, Neighborhood Stabilization Program Grants, Appalachian Regional Commission (ARC) Grants, HOME Grants, and Emergency Solutions Grants. DHCD receives special funds from levies collected from localities to be used for training building code officials on the Virginia Statewide Building and Fire Prevention Codes.

Key Risk Factors

It is likely that federal program resources will receive cuts in future years. Over the past two years, the Community Development Block Grant (CDBG) program has been cut by almost 25 percent, resulting in almost \$5 million less than in 2010 to invest in Virginia's communities, while the HOME program has been cut by 48 percent over that same period. As resources become scarcer, funding decisions will become more difficult and there will be an increased focus on leveraging additional funds to complete community projects. Increased collaboration among State agencies must be increased in order to strategically utilize our shrinking resources. On a positive note, recent initiatives by the Commonwealth have allocated funds targeting distressed communities and to support overall community and economic development efforts, and these resources will be extremely beneficial and are hoped to yield significant positive outcomes.

As the importance and significance of the cultural heritage initiatives increase, the Commonwealth must expand its support and commitment to these efforts. New state funded initiatives, including the Building Collaborative Communities and Industrial Revitalization Fund, along with the increased base budget for the Main Street program and a focus on helping communities and regions build entrepreneurial economies will continue to create new opportunities to spur economic development, particularly in distressed areas of the Commonwealth.

Performance Highlights

DHCD works in collaboration with communities throughout the Commonwealth as part of its comprehensive approach to meeting the housing needs of: (a) the homeless; (b) those at risk of becoming homeless; (c) special needs populations; (d) individuals with HIV/AIDS and (e) those that could not otherwise afford decent housing. Each year, more than 30,000 persons are served by programs that prevent homelessness, shelter those who are homeless, move the homeless into permanent housing, offer supportive services to those with special needs including victims of domestic violence and assist low-income citizens in accessing decent, safe and affordable housing. If it were not for these programs, the safety and lives of thousands of individuals and families would be in jeopardy. The demand for housing assistance and homeless prevention and services increased during the recession. American Recovery and Reinvestment Act (ARRA) funds helped address a portion of this increasing need. As ARRA funds are exhausted, DHCD faces challenges utilizing limited resources to address an on-going demand for services. DHCD leverages its funds and those of its partners to insure that the housing needs of Virginia's most vulnerable citizens are met.

In order to reduce homelessness by 15 percent over a three year period, DHCD has changed its homeless services programs. In FY 2013, approximately 60 percent of homeless services funding was targeted to rapid re-housing efforts. This is a nationally acclaimed best practice that quickly moves persons experiencing homelessness out of shelters and into permanent housing, with supportive services provided as appropriate. This approach has proven to be more cost efficient and more effective in moving people into stable housing more quickly. This builds on pilot projects that DHCD successfully implemented in FY 2011 and FY 2012.

From 2010 to 2012, homelessness in Virginia declined eight percent. During this same time, homelessness for families decreased 11 percent and the chronic homelessness rate decreased 36 percent.

The Enterprise Zone Program (EZ) continues to be a strong tool for economic development that provides grants to businesses for job creation and real property investment. Both the number of firms qualifying for job creation grants and the number of net new jobs created increased for calendar year 2011 (paid from FY 12).

Performance Measures

Management Discussion & Analysis

General Information about the Ongoing Status of the Agency

The Department of Housing and Community Development (DHCD) is working in several areas to refine and bolster housing, community, and economic development assistance to distressed communities. In addition to ongoing priorities and efforts, several new or enhanced community development initiatives arose from the Administration's Commission on Job Creation, with each targeting distressed communities by providing additional resources to spur private investment, create jobs, and serve as a catalyst for the region.

Economic Restructuring – DHCD continues to provide technical assistance to communities that are struggling to adapt to the changing economy. Many of the state's rural communities were driven by textiles, manufacturing, coal, rail, and other forces that no longer sustain them. Through the Economic Restructuring process, emphasis is placed on capitalizing each community's unique assets—asset-based development—to establish a unified vision for future development, branding and marketing, and cultivating an entrepreneurial network that encourages and supports small business development.

Southwest Virginia Cultural Heritage Foundation - Efforts and investments progressing toward a regional economic restructuring have been underway for several years now. These efforts include a multi-faceted approach led through DHCD in partnership with localities across the region. The most significant traction has been centered on a cultural heritage movement overseen by the Southwest Virginia Cultural Heritage Foundation (SWVCHF). The SWVCHF was a critical step in organizing and coalescing Southwest Virginia's asset-based economic development efforts. The first phase of this movement began with the establishment and immediate success of The Crooked Road: Virginia's Heritage Music Trail; the total economic impact was assessed at \$23 million for 2008, generating approximately \$600,000 for the Commonwealth and local governments. Success associated with the launch of The Crooked Road inspired the artisan affiliate, 'Round the Mountain. A third component in this asset-based strategy opened in the summer of 2011, Heartwood: Southwest Virginia's Artisan Gateway. During its first full year of operation, Heartwood produced an estimated economic impact of \$8.0 million and supported 108 jobs in the region. This asset-based economic initiative has resulted in a total economic impact in excess of \$30 million to the region.

Affordable Housing Resources – The need for affordable housing continues to exceed available resources. Federal funding has been curtailed putting increased pressure on existing resources. The Commonwealth has historically focused state general fund support on addressing homelessness. In its 2012 and 2013 sessions, the General Assembly appropriated funding to establish the Virginia Housing Trust Fund. DHCD has worked collaboratively with the Virginia Housing Development Authority (VHDA), the Virginia

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Housing Coalition and the Virginia Coalition to End Homelessness to design and implement the Trust Fund. Trust Fund grants and loans will be aligned with the priorities outlined in the Governor's Housing Policy. At least 80 percent of the Trust Fund is to be used for short, medium and long-term loans to reduce the cost of homeownership and rental housing. Additionally, up to 20 percent may be used to provide grants for targeted efforts to reduce homelessness. In addition, the General Assembly provided new funding for the development of permanent supportive housing and assistance for rapid rehousing of the homeless.

Information Technology

DHCD is developing and implementing several technology projects that will increase customer accessibility to agency services. The goal is to deliver applications and services that are available to customers of the Commonwealth at any time from any location via a centralized web portal. Advances have been made to create a new system that accepts credit card payments for many of the agency services such as training, code book orders and manufactured housing seals and also let customers view a history of transactions. This has greatly increased the reporting capabilities of the participating divisions and minimized the amount of hard copy records that are passed to the Fiscal Office by creating an internal administration portal where staff will have access to relevant data in a single application. Other components, such as the Virginia Main Street online registration and payment system, the Virginia Enterprise Zone Program along with others from Community Development are being integrated.

It should be noted that DHCD is undergoing a much more extensive IT initiative which will greatly improve the efficiencies in which the Agency's resources and programs are delivered and managed. Referred to as CAMS (Centralized Application and Management System), it will be a single web-based portal to improve processes and data quality. CAMS will allow DHCD staff to access centralized external customer contact information, review and process application and proposals from external customers, and automate numerous project management functions such as financial management, reporting, and data collection. The system will allow DHCD's customers to electronically submit applications, reports, reimbursement requests, and monitor and manage their programs using the same management tools as DHCD staff. CAMS will allow DHCD to service its customers and stakeholders faster, and with a high quality of service and unparalleled governance of state and federal funds. The system will, for the first time, link together the programs and services across all four Divisions within the Agency.

Workforce Development

Ten percent (10%) of DHCD employees are eligible to retire immediately and 19 percent are eligible to retire in the next five years. The obvious impact will be the loss of experience, specialized skills, and institutional memory. The need for effective succession planning will become greater in the next several years as many of the agency's long term employees retire.

While the agency has a mechanism for retention of employees based on recognition rewards, human resources and agency management will need to evaluate other ways to retain employees. Studies show that work-life balance issues and having state of the art technology resources are key factors for retaining bright, talented Generation X employees. Supporting teleworking and alternative work schedules has become increasingly important for the agency.

Ongoing management training and professional development will continue to be enhanced and rewarded. Supervisory and management training is critical for the development of middle managers and the development of successful career ladders within the agency. The agency has implemented mandatory on-line training for all employees including managers and supervisors. However, this training is basic level training and our agency and employees would benefit from more advanced manager and supervisory training.

Physical Plant

DHCD has offices located in downtown Richmond and Abingdon, Virginia. In Richmond, the office is located in the Main Street Centre where the agency leases approximately 24,222 square feet from the Virginia Department of General Services. Currently, eighty-seven (87) DHCD employees have assigned offices in the Main Street Centre. This facility also provides meeting space that enables DHCD to convene meetings with our boards, customers and agency stakeholders.

The DHCD regional office located in Abingdon helps the agency to provide better outreach and services to the citizens of Southern and Southwest Virginia. DHCD leases 1,160 square feet from a private landlord for a regional office located in Abingdon. Currently, six DHCD employees work in our Abingdon field office for the Program Administration and Assistance Office (PAAO) within the Division of Community Development.