

Agency Strategic Plan

Department of Housing & Community Development (165)

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Mission and Vision

Mission Statement

The Department of Housing and Community Development works in partnership to make Virginia's communities safe, affordable, and prosperous places in which to live, work and do business.

Vision Statement

To build better communities through collaboration, communication and innovation.

Agency Values

- Foster an environment that encourages innovation, new ideas and varying perspectives
- Constantly seek ways to be at the forefront of developing and implementing services to enhance and revitalize communities in Virginia.
- Encourage sustainable community development through cost-effective energy technologies that reduce energy consumption, conserve environmental resources, improve energy efficiency and incorporate high performance and/or green building practices.

Executive Progress Report

Service Performance and Productivity

- *Summary of current service performance*

The Department of Housing and Community Development (DHCD) has identified and pursues seven primary strategic goals for the agency. DHCD annually evaluates its service performance through measures associated with the primary goals of the agency and the strategies developed to meet these goals.

1. The first goal of DHCD is to revitalize communities in Virginia through the strategic investment of technical assistance and financial resources.

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 several programs that focus on asset-based community development, cultural heritage, improving water quality and increased access to broadband telecommunications.

DHCD has given increased emphasis in its community development programs to providing financial and technical support for the acquisition, development, rehabilitation or expansion of business sites to raise wage levels, retain existing jobs, generate new jobs, diversify and expand local tax bases and economies, and reduce the out-commuting of workers and out-migration of residents. These community economic development efforts usually assist at least 350 businesses each year and support the creation of over 4,000 new jobs annually.

Another critical component of economic development and closing the digital divide is the availability of affordable broadband level telecommunication services. Because of the critical role broadband plays in the deployment of advanced applications, widespread access to broadband services is critical to the economic well-being of the Commonwealth of Virginia. Access to broadband provides communities with a new type of infrastructure that is necessary for economic growth and a sustainable quality of life.

Community infrastructure development provides water supply and wastewater disposal to areas whose facilities fail to meet residential or economic development needs. These activities are designed to address the needs of the 25,000 to 30,000 Virginia households that do not have access to clean, safe drinking water. These community development efforts provide clean, safe drinking water to over 1,000 households each year and improve the housing conditions of approximately 300 families annually.

The Crooked Road and the development of the Heartwood Center highlight cultural heritage and asset-based community development. Asset-based development identifies existing strengths and resources on which to build sustainable development strategies is being incorporated into the Department's overall approach to community and economic development efforts. This strategy allows for a more diversified economic base and provides opportunities for isolated communities that do not compete well in conventional economic development recruitment activities.

2. The second goal is to increase the availability and affordability of safe and accessible housing throughout the Commonwealth.

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 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. Again, DHCD leverages its funds and those of its partners to insure that the housing needs of Virginia's most vulnerable citizens are met.

3. The third goal of DHCD is to increase the ability of communities to implement innovative and creative responses to community-defined needs.

DHCD provides targeted assistance, through community-based organizations, that help individuals overcome barriers to their full participation in community and economic activities. These capacity-building efforts assist approximately 30 community-based organizations each year.

4. The fourth goal is to enhance the health and safety of the built environment in a cost effective manner.

The Virginia statewide building and fire regulations, including the Uniform Statewide Building Code (USBC) and the Statewide Fire Prevention Code (SFPC), promote and ensure the safe, accessible, and affordable construction of all buildings and structures. Through the oversight of the statewide building and fire code compliance and enforcement programs, DHCD encourages uniformity and consistency in the interpretation and application of the regulations by local governmental enforcement agencies. DHCD promulgates the fire and property maintenance codes used at the local

governmental level, enabling the assessment of the current conditions and levels of hazard present in existing buildings and structures. DHCD stays abreast of current construction technologies and techniques, products and materials, including sustainability and conservancy permitting alternative and equivalent construction methods for affordable and economical construction.

DHCD provides a framework to support code compliance and enforcement operations of the state building and fire regulations. The State Building Code Administrative Office (SBCAO) and the Technical and the Technical Assistance and Services Office (TASO), and the State Fire Marshal's Office (SFMO) that was relocated to the Virginia Department of Fire Programs, collaborate to provide technical and consulting services for 324 governmental and approximately 3,000 code enforcement professionals and independent inspection agents. DHCD staffs and assists the State Building Code Technical Review Board (Technical Review Board or TRB) in the deliberation and determination of appeals cases brought forth from the local governmental levels. In the effort of uniformity, DHCD also provides mandatory training and certification programs which increase and demonstrate the knowledge, competency, and professionalism of the building officials. DHCD administers the industrialized building and manufactured housing programs in the state, inspecting and ensuring a quality and safe product constructed in accordance with the appropriate safety regulations. DHCD also staffs the Manufactured Housing Board to protect the industry and consumers of manufactured homes.

5. The fifth DHCD goal is to support policy development and research related to significant economic development, inter-governmental relations, community development, and housing issues.

DHCD collaborates with its local, state, and federal partners to support research and policies that address housing, community development, and safety issues that impact Virginia's citizens. DHCD incorporates broad stakeholder input when evaluating community needs, implementing programs to address the needs and utilizing agency resources. Every five years DHCD analyzes housing and community development needs across Virginia to determine the most effective use of available federal resources. DHCD reviews this analysis annually and makes adjustments as needed. DHCD undertakes program-specific client-focused input sessions each year to ensure that programs are responsive to client issues and effective in addressing identified needs.

The Commission on Local Government develops advisory reports on local boundary change and governmental transition issues for localities and the courts. It provides technical assistance to localities and state agencies regarding local governmental boundary change and transition issues and identifies and develops mediation resources for use by localities in resolving inter-local issues. Annually, this office has documented its provision of technical assistance to over 150 various local governments and other entities.

The Commission also provides, develops, and distributes an annual report analyzing the comparative revenue capacity, revenue effort and fiscal stress of counties and cities. It also develops and distributes periodic reports analyzing changes in the revenue and expenditure profile of Virginia's cities and counties. Eight state agencies use the comparative revenue capacity or the fiscal stress statistics produced annually by this office in their distribution of approximately \$163 million in various state-aid funds that they administer.

6. The sixth goal of DHCD is to use strategic management and model business practices to effectively and efficiently accomplish its mission and deliver services.

DHCD is developing and implementing several technology projects that will increase public accessibility to agency services. The goal is to deliver applications and services that are available to citizens of the Commonwealth at any time from any location via a centralized web portal. A key component of the new system will be the capability to accept 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. It will also greatly increase the reporting capabilities of the participating divisions and minimize 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. Current applications such as the Virginia Main Street online registration and payment system, the Virginia Enterprise Zone Program along with others from Community Development will be integrated as the first portal applications and have already been completed.

The Administration revamped and revitalized the DHCD Employee Recognition Program.

7. The seventh goal of DHCD is to strengthen the culture of preparedness across state agencies, their employees and customers.

This goal ensures compliance with federal and state regulations, policies and procedures for Commonwealth preparedness, as well as guidelines promulgated by the Assistant to the Governor for Commonwealth Preparedness, in collaboration with the Governor's Cabinet, the Commonwealth Preparedness Working Group, the Department of Planning and Budget and the Council on Virginia's Future. The goal supports achievement of the Commonwealth's statewide goal of protecting the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds. Additionally, DHCD has developed, maintains and continuously updates a Continuity of Operations Plan.

- *Summary of current productivity*

DHCD strives to evaluate the level of employees and ensure the efficient use of resources to address the needs of our increasing customer base. DHCD continues to maintain a high level of productivity in providing housing related, community development, and safety services throughout the Commonwealth. DHCD provides services to a greater number of customers over the years. With additional financial and human resources, DHCD intends to deliver services at its current level or greater, and seeks to increase both the quality of those services and the quantity of those served.

Initiatives, Rankings and Customer Trends

- *Summary of Major Initiatives and Related Progress*

The Department of Housing and Community Development (DHCD) is working in several areas to refine on-going housing, community, and economic development assistance to distressed communities. These focus areas are discussed below.

Community Planning for Broadband DHCD is working with numerous communities in planning and implementing strategic improvements in affordable high speed telecommunications to achieve economic restructuring through entrepreneurship-based economic development. DHCD implements a long-term, comprehensive approach to community and economic development initiatives that are economically feasible for the area. Over 30 communities are being assisted through this effort.

Asset Based Development – This approach for helping communities identify existing strengths and resources on which to build sustainable development strategies is being incorporated into the Department's overall approach to community and economic development efforts. This strategy allows for a more diversified economic base and provides

opportunities for isolated communities that do not compete well in conventional economic development recruitment activities.

Substandard Housing – DHCD is exploring new approaches to help increase efforts to address the number of occupied substandard housing units in Virginia with a primary focus on those lacking complete indoor plumbing. While this has been a long-standing agency priority, increasing costs and limited community implementation capacity indicate a need for new strategies.

Collaboration in Remote Health Care Facilities – DHCD is working with regional health care organizations, the Virginia Health Department (VDH) and the UVA Office of Telemedicine to help identify resources to address the need for health care facilities in medically underserved areas.

Cultural Heritage Commission - DHCD is providing organizational and staffing support to the Southwest Virginia Cultural Heritage Commission. The Cultural Heritage Commission encourages the economic development of Southwest Virginia through the expansion of cultural heritage ventures and initiatives related to tourism and other asset-based enterprises, including the Heartwood: Southwest Virginia's Artisan Gateway, the Crooked Road, Round The Mountain, and related cultural heritage organizations and venues that promote entrepreneurial and employment opportunities.

Water Quality Improvement- DHCD implemented the Southern Rivers Watershed Enhancement Program (SRWEP), a waste water quality improvement program for localities in the non-Chesapeake Bay watershed. The goal of the Southern Rivers Program is to improve water quality in the streams and groundwaters in non-Chesapeake Bay watersheds of Virginia while directly enhancing the quality of life of communities and their residents through installation and expansion of sewage treatment and collection systems. The program prioritizes the elimination of direct discharge of untreated household wastewater into streams or groundwater (straight-piping), replacement of deficient household wastewater systems, and correction of effluent non-compliance.

Affordable Housing Resources – The need for affordable housing continues to far exceed the resources available. At present there are no state resources available for the production of affordable housing. Federal resources resulting from the Housing and Economic Recovery Act of 2008 in the form of additional tax credits and private activity bond allocation will help but are not expected to address the full range of need. DHCD continues to work to identify potential state funding sources for affordable housing but the present economic conditions are not likely to support such new initiatives.

In November 2007 the Governor announced the appointment of the Foreclosure Prevention Task Force. DHCD has provided staffing and organizational support to the Task Force. Additionally, CDBG funds have been allocated for the Neighborhood Stabilization program. DHCD will continue to work to address issues related to individuals experiencing foreclosure, the impacts on communities and neighborhoods and regulatory reform.

In partnership with VHDA, DHCD has developed a grant program to provide supplemental resources for foreclosure counseling for families threatened with the loss of their homes. Funding was provided in the FY 2007 budget and VHDA provided additional funds to increase the resources available to provide direct counseling services.

As a result of legislative changes in 2008 DHCD now administers the overall allocation of the state's private activity bond ceiling. DHCD also provides direct administration of that portion of the bond ceiling targeted to local housing authorities.

The Housing and Economic Recovery Act of 2008 provides for a range of resources designed to address the impacts of wide spread foreclosures. Supplemental funds through the CDBG Program, a newly created federal housing trust fund, additional low income housing tax credits and a special allocation of private activity bonds will help leverage housing-related activities to help compensate for the decline in the housing market associated with the on-going foreclosure crisis.

DHCD had a lead role in developing, in conjunction with the Governor's Urban Policy Task Force, the Commonwealth's first Urban Policy. DHCD is prepared to work with the Secretary of Commerce and Trade and the Governor's Office to assess progress in this area and identify priorities for the balance of the administration.

Technical Services Initiatives – Completed the first publication of the 2006 Virginia building and fire regulations that incorporates the International Code Council (ICC) national model codes, the Virginia administrative and technical provisions and amendments as modifications to the text of the ICC national model codes. In conjunction, electronic formats of the Virginia codes and regulations, referred to as the e-Codes, are now available and accessible via the internet. As ICC develops and implements the Smart-Codes, an automated interactive plan review and building inspection tool, Virginia intends to again partner with ICC in a similar technological product of the Smart-Codes which are inclusive of the Virginia code requirements.

Training and Certification Programs – DHCD, through the Training and Certification Unit of TASO and the Jack A. Proctor Virginia Building Code Academy (JPVBCA), strives to meet the increasing needs of its governmental clients, the building and fire officials and technical assistants throughout the state. DHCD will continue to train and educate the code enforcement professionals, to expand program offerings and increase frequency of courses, and to promote development and provide advanced and specialized training sessions. To further raise the bar of competency, proficiency, and professionalism, the JPVBCA will support skill-based development, training, and assessment within its programs. The incorporation of various training deliveries, particularly the utilization of technology-based and alternative media formats, will continue to be a priority initiative of DHCD to more efficiently and economically serve our clients and to minimize resource and cost expenses to the local governmental entities.

Technology and Business Improvements – DHCD, through the Training and Certification Unit of TASO, will further develop and implement the enhanced electronic on-line system for the purposes of course/program registration, certification issuance, user profile/data management, and database organization to manage and maintain the related activities of the approximate 3,000 code enforcement professionals and independent inspection agents who possess building, fire, and/or related code certifications through DHCD. In addition, the Business Services Unit (BSU) of TASO will centralize and streamline the administrative, business, and fiscal operations associated with the TCU and other programs, incorporating automated accounts payable and receivable functions.

- *Summary of Virginia's Ranking*

Virginia and DHCD continue to be a recognized as a national leader in their programs to improve the quality of life in rural communities such as the broadband planning initiative, heritage tourism and the self-help program.

The U. S. Department of Housing and Urban Development ranks states' and territories' performance in administering federal housing programs on a quarterly basis. The Virginia Department of Housing and Community Development's ranking was 15 out of 51 at the end of the third quarter in federal fiscal year 2008. This ranking represents a 16 place improvement over the first quarter of 2007 and the Department's highest ranking since HUD began this process in 2003.

The United States Department of Housing and Urban Development (HUD), Office of Community Planning and Development recognized DHCD and the Commonwealth of Virginia for its "excellence in carrying out activities funded by the Community Development Block Grant Program (CDBG) for the benefit of low and moderate income persons." The recognition was specifically for a self-help water access program in Southwest Virginia. Virginia was one of only two states to receive that award that year.

The Appalachian Regional Commission (ARC) has hailed Virginia's grassroots, heritage-based Crooked Road: Heritage Music Trail as an outstanding example of asset-based development. This focus on asset base development has been further augmented through the development of 'Round the Mountain and Virginia's Southwest Virginia Artisan Network. DHCD collaborated with Virginia Tourism Corporation (VTC) to strategically fund and promote this initiative. According to a recent VTC report, five of the 15 Virginia localities with the greatest increase in tourism expenditures since 2006 were those in Southwest Virginia. Tazewell, Smyth, Russell, and Dickenson Counties, along with the City of Norton, posted an average 11.1 percent increase in tourism – that's above the statewide increase of 7.2 percent. In the past three years, more than 40 new businesses have developed in downtown areas along The Crooked Road. The Crooked Road has been featured in USA Today three times, in National Geographic Traveler, Southern Living Magazine, The Washington Post, The Roanoke Times, and many more national and international newspapers and magazines. National Geographic, in a joint venture with ARC, continues to feature the Crooked Road as one of 24 trails in the Appalachian region in its upcoming April geotourism map guide. Market studies show that the center will draw 270,000 visitors and generate \$2.2 million in revenue each year from the sale of crafts, food and beverages.

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, prohibiting local governments from adopting local amendments, except for more restrictive local fire ordinances.

Virginia is a national leader in the participation and development of the national model codes, with the intent and language of many of the national model code revisions replicating that of the state building and fire regulations.

DHCD is a national leader in the training and education of building officials and technical assistants 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 education, examination, and certification of its code enforcement professionals to ensure a high level of knowledge, competency, and professionalism.

Virginia has out-performed the nation in income growth, but it has also out-performed the nation in increased home purchase prices. Unfortunately, the differential between national increases in home prices and Virginia's increase in home prices far exceeds the differential between national and state income growth.

Thirty-one percent of Virginian households cannot afford the fair market rent for a two-bedroom unit

According to the 2000 U. S. Census, 86,456 Virginia households live in overcrowded housing conditions. Also, according to the 2006 American Community Survey 10,688 occupied housing units still lacked complete indoor plumbing facilities.

- *Summary of Customer Trends and Coverage*

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. It also includes those lower-income citizens whose own ability to obtain appropriate housing, services and employment may be severely limited. Generally, this emphasizes 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 or stagnant 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. Giving 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. DHCD has tailored many of its housing and community development functions and operations to identify those customers and find the most effective means for overcoming gaps in their resources or operational capacity.

In keeping with this focus on client need, DHCD has been a critical partner in the Commonwealth's initiative to integrate disabled persons in state institutions into the community. The Commonwealth has received a \$28 million dollar grant to ensure that essential services follow persons into a community setting. The grant, however, does not address how participants' housing needs will be addressed. To help meet this critical need DHCD has developed both a "bridge rent" program and a supplemental accessibility modification program. These efforts will help fund needed modifications to make rental units accessibility and pay for the rent while the work is taking place.

The agency stresses the use of various indicators of need in determining eligibility for its programs. However, need is not the only force driving program operations. Because resources in any given program area are finite, the agency's partners must also demonstrate the effectiveness of their proposed responses to demonstrated needs. Aside from applying these criteria, agency programs also work to enhance the ability of individuals or organizations to identify areas of need and shape effective responses that may compete more successfully for a variety of resources. This approach has become a hallmark of DHCD's programs and services.

The agency's efforts in the realm of building and fire regulations address many of the same constituencies, further buttressing the efforts to assure the health and safety of all Virginians and their built environment, regardless of income or other limiting factors. The ultimate goal is the safety of those persons utilizing the buildings. Toward that end, the emphasis on standardization of building and fire code and regulation provisions, consistency in their interpretation, and uniformity in their application facilitates compliance in building planning, design, and construction. Through uniformity in the technical substance and enforcement procedures of its regulations, the agency enables builders, owners, operators, occupants, and users to produce, acquire, maintain, and utilize buildings and structures at the lowest cost consistent with accepted health and safety standards. To ensure confidence in the regulations adopted by the agency, the code development and change process prioritizes the broadest possible participation and consideration of all affected parties, including other state agencies and boards, and constituents and stakeholders of all interest groups. The consistent and uniform interpretation and application of the regulations relative to code compliance and enforcement at the local governmental level is reinforced through the comprehensive and mandatory training and certification program offered to the code enforcement professionals throughout the Commonwealth.

The agency will focus a more concerted effort on sustainability and green building practices that will improve energy

efficiency, reduce energy consumption and conserve environmental resources. Specialized training will be offered to the code enforcement, design and building development communities.

Additionally, recognizing the impact associated with the increasing state's aging population, the Department is undertaking actions in several areas that may assist in responding to this matter.

In the realm of building regulation, DHCD is actively reviewing building and fire code provisions affecting assisted living facilities as well as other residential facilities that are intended to provide a safe environment for generally older residents with various limiting conditions.

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. As the aging population begins to have an impact on localities, non-profit organizations, and other partners, DHCD is positioning itself to work with them in responding to specific areas of anticipated need, including :

Growing numbers of disabled, elderly, and homeless households 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 expanding elderly population that is attempting to remain independent.

The redesign of the agency web site, which is currently underway, will enhance its user-friendly features and facilitate access by persons with disabilities. This should simultaneously increase its ease of use for older Virginians seeking information about a variety of community development and housing assistance services administered by the agency or its state and local partners.

Future Direction, Expectations, and Priorities

- *Summary of Future Direction and Expectations*

The Department of Housing and Community Development (DHCD) will continue to address the housing, community, and economic development needs of all communities, especially distressed communities. The issues detailed below embrace the overall mission of DHCD reflect the agency's commitment to enhance the quality of living for Virginia's communities, and reiterate the agency's priorities throughout Virginia.

A. Available and Affordable Housing

The dramatic impacts of the foreclosure have significantly effected Virginia's housing market. The highest cost markets, Northern Virginia and Tidewater, have experienced the greatest changes. While housing costs in these areas are falling stricter credit standards have made it difficult for many moderate income households to take advantage of these more affordable homes. High foreclosure rates can be expected for some time to come and will continue to destabilize Virginia's housing market. While foreclosures have had a very adverse impact on homeowners, the resulting increase in demand for rental housing is squeezing the already limited supply of affordable rental stock.

Virginia continues to experience a shortage of affordable housing – both for rent and for homeownership. For persons depending on Supplemental Security Income (SSI), the only source of income for many disabled persons, it takes 128 percent of their SSI income to rent an average cost one-bedroom unit. There is a monthly gap of about \$710 between what they can afford to pay for housing and the fair market rent for a two-bedroom unit. In 2005, 31 percent of Virginia's households were paying more than 30 percent of their income (the general standard for affordability) for housing.

B. Disabled and Elderly Housing

The state's commitment to implement an Olmstead Plan has called attention to the state's role in providing housing that meets the special needs of Virginia's disabled and elderly citizens. In its Olmstead decision, the United States Supreme Court held that states are required under the Americans with Disabilities Act to provide community based treatment for persons with mental disabilities under set conditions. The U.S. Department of Justice has requested states develop an operational plan for accommodating the special needs of the disabled. Housing solutions should allow individuals to live as independently as possible in communities in housing that is affordable and accessible. Currently, Virginia has no uniform means of providing funding to disabled and older Virginians to make their homes more accessible. The provision of accessible housing must be coordinated with a variety of supportive services whether transitional or permanent.

DHCD is collaborating with the Department of Medical Assistance Services, the Department of Social Services and the Governor's Office of Community Integration to effectively implement a federal Money Follows the Person grant to integrate persons from state institutions into the community. DHCD has also committed to allocating a significant portion of its federal HOME funds to assist in the production of affordable housing for special needs populations. There are currently no state general funds available for such an effort.

C. Substandard Housing

Despite Virginia's relative affluence, many low-income citizens are forced to live in substandard housing. Lower income homeowners have a limited ability to maintain and improve their existing housing. In the low income rental market, rents are often insufficient for landlords to cover the cost of improvements to rental units. Unscrupulous landlords may also take advantage of lower income families by renting to those who cannot afford a standard rental unit and then pocketing the profits. Substandard housing is prevalent in many Virginia cities. In the City of Bristol, approximately 10% of the housing stock is considered substandard. Significant numbers of housing units were constructed in many major Virginia cities prior to the adoption of the Uniform Statewide Building Code in the early 1970s. Eventually, many of these units will require substantial rehabilitation. Water and sewer infrastructure is another important component of a quality living environment, especially in rural communities. While substantial gains have been made in the provision of indoor plumbing, according to the 2006 American Community Survey, 10,688 occupied housing units still lack indoor plumbing in Virginia. Improvements to inadequate community or individual systems may raise many Virginians out of appalling housing conditions as well as open up different options for development. Infrastructure enhancements also have a direct impact on the public health and educational attainment of low-income families. Housing rehabilitation will also make better use of the extensive inventory of existing older housing units in rural and urban Virginia. Improvements and rehabilitation can also preserve and nurture local communities. DHCD currently provides grant funding to improve several hundred substandard units through a variety of programs (Community Development Block Grants, Indoor Plumbing Rehabilitation, etc.) primarily targeted at rural areas. Program resources need to be expanded both in terms of the number of units and the ability to address inner city units. DHCD has recently partnered with Virginia Community Capital and Virginia Housing Development Authority to bring a new home improvement product online. This Supplemental Housing Loan program is designed to leverage CDBG and / or IPR funds to allow eligible clients the ability to make additional property improvements as part of their rehabilitation efforts.

D. Economic Restructuring of Distressed Communities

The decline in traditional economic sectors as well as increased international competition has left many regions of the state behind economically. Diminished resources and the lack of a community strategy have limited the Commonwealth's ability to respond. Southside Virginia, one of several distressed areas of the state, which lost more than 9,000 manufacturing jobs between 2000 and 2006, struggles to develop its capacity to address rapid economic change. Many other urban and rural communities in Virginia face severe economic distress as they have fallen behind the rapid pace of economic change prevailing in much of the state. One visible sign of this distress is higher unemployment. While the statewide unemployment rate for Virginia was one of the lowest in the nation at 3.0 % in 2007, the 2007 rates in such distressed cities as Richmond (4.5%), Galax (5.7%), Petersburg (6.2%), Danville (7.3%) and Martinsville (8.2%), and Covington (5.8%) were substantially higher. Distressed areas often have both the greatest need and the least ability to address their condition. Statistics also document a decline in traditional manufacturing sectors. The southwestern part of the state and the southwestern Piedmont (which includes Planning Districts 1, 2, 3 and 12) experienced a 15% drop in manufacturing employment between 2000 and 2006, reflecting declines in textiles, furniture making and other formerly dominant industries. DHCD has given increased emphasis in its community development programs to providing financial and technical support for the acquisition, development, rehabilitation or expansion of business sites to raise wage levels, retain existing jobs, generate new jobs, diversify and expand local tax bases and economies, and reduce the out-commuting of workers and out-migration of residents. Distressed communities must be positioned to access opportunities in current markets by developing local and regional economic development strategies that focus and guide both local and state investment. Accessing opportunities requires not just enhanced economic development but also an improvement in the overall quality of life of the community. Increased access to affordable broadband telecommunications and other community development projects will result in a higher overall quality of life in many distressed communities. An increased quality of life (including better healthcare and educational opportunities) will in turn attract new businesses to distressed areas.

A key component of rural economic restructuring in Southwest Virginia will be the construction of Heartwood, Southwest Virginia's Artisan Gateway. The center will showcase the cultural and natural heritage of Southwest Virginia and contribute to a sustainable economy. Benefits to the region are numerous including the creation of a retail venue for artisans and the establishment of a central resource for tourists that will help drive interest and visitors to regional attractions. DHCD has also developed innovative financing programs through CDBG to encourage strategic revitalization efforts in rural downtowns. This funding, coupled with other forms of temporary and permanent financing, allows for the use of flexible loan terms for property redevelopment where traditional loan funds are not available due to the risk.

E. Urban Revitalization

Many Virginia cities face a fiscal crisis combined with the need to revitalize their urban core and curb the outward migration of citizens to the suburbs. Low-income residents, unable to afford housing in the suburbs, are frequently trapped in decaying urban communities. The Commission on Local Government annually calculates and publishes a report analyzing the comparative fiscal condition of Virginia cities and counties.

In fall 2006 Governor Kaine appointed an urban policy task force, chaired by Secretary of Commerce and Trade Pat Gottschalk. After public input sessions coordinated by DHCD and work with the Task Force to synthesize the public comment, the Commonwealth's first Urban Policy was released in early 2007. This document provides a framework for guiding state investment and action to address a range of urban issues and needs.

F. Building Safety

DHCD strives to increase the professionalism and competency of the code enforcement community and to ensure the code compliance of the buildings for the safety of the building occupants and the citizens of Virginia.

DHCD is initiating and expanding educational and training opportunities for code enforcement personnel with specialized offerings such as accessibility, energy conservation, elevator inspection, energy, existing building rehabilitation, and residential plan review and inspection. Continued development of programs and courses that remain abreast of the construction industry and of progressive opportunities for professional development of the code enforcement community. Delivery methods utilizing current technology and electronic media will be employed to further improve the availability, access, and convenience of the training opportunities.

Building and fire safety has experienced a new dimension with the advent of homeland security issues and the amplification of severe natural disasters. A comprehensive approach to code development, enforcement and education as well as collaboration with life safety and emergency rescue professionals will reduce the vulnerability of Virginia to massive tragedies that can occur in high occupancy or assembly structures and to reduce the associated risks for the well being of Virginia citizens.

G. Water and Waste-water

Access to safe, reliable drinking water continues to be a critical need in many rural parts of Virginia. Due to the limited number of customers, small public water systems are not able to generate enough revenue to pay additional technical staff, make infrastructure improvements, pay debts, or even meet national drinking water standards. Unlike municipalities with general taxation authority, many of the small water systems in rural Virginia can only raise revenue through user and connection fees. These conditions lead to higher monthly water bills on average. For instance, a 2001-2002 water and sewer rate study indicates the average monthly water bill in the St. Charles Water Service Authority in Lee County was almost \$49.00. Much of the existing financing for small water systems is in the form of loan programs. Given the increasing cost of maintaining and expanding water systems, small water systems are dependent upon direct grant funding. DHCD provides funding for water projects through such programs as the CDBG, ARC and Self-Help programs that strive to develop the local capacity needed to address community needs. Additional leveraging of funds from the private sector would also assist smaller water systems. In addition, small water systems in rural Virginia have fractured and uncoordinated delivery systems, which would benefit from greater consolidation. The Administration implemented a major initiative to improve the water quality in Virginia. The Southern Rivers Watershed Enhancement Program - provides funding to non-Chesapeake Bay watershed communities to develop wastewater systems and eliminate the direct discharge of sewage and pollution into streams.

H. Rural Broadband Planning Initiative

The State of Virginia is committed to expanding rural access to broadband technology. DHCD is providing community broadband planning assistance through The Virginia Rural Broadband Planning Initiative. The primary objective of the Virginia Rural Broadband Planning Initiative is to ensure community sustainability and competitiveness in the global marketplace via comprehensive planning for broadband deployment. Community sustainability requires the availability of adequate healthcare, quality education, reliable emergency services,

competitive service-sector businesses (banks, insurance, etc.), and connectivity at speeds necessary for entrepreneurs to engage and compete globally.

A critical component of economic development and closing the digital divide is the availability of affordable broadband level telecommunication services. Because of the critical role broadband plays in the deployment of advanced applications, widespread access to broadband services is critical to the economic well-being of the Commonwealth of Virginia. Access to broadband provides communities with a new type of infrastructure that is necessary for economic growth and a sustainable quality of life. At present, too many rural and urban communities are not afforded access to broadband telecommunications and hence deprived of their ability to participate in enhanced social, education, occupation, healthcare, and economic development opportunities. It is critical that all Virginia communities have equal and affordable access to broadband telecommunications. Also, ubiquitous broadband will enable the Commonwealth as a whole to lead the nation in the deployment of high technology services and applications.

I. Green Building and Energy Efficient Practices

DHCD is committed to encouraging the use of cost effective green building practices in its housing, community and economic development activities throughout Virginia. These practices are designed to: (1) use a minimum of nonrenewable energy, (2) produce a minimum of pollution, and (3) cost a minimum of energy dollars, while increasing the comfort, health, and safety of the people who live and work in them. Implementing green building techniques will have a significant economic impact on consumers. In the housing arena, green building techniques will, over time, reduce the homeowner's energy costs thus making housing more affordable. This would provide a critical benefit to low and moderate income individuals who are paying a larger percentage of their income to heat and cool the home.

Green building practices develops environmentally-sound and resource-efficient buildings by using an integrated approach to design. Green buildings promote resource conservation, including energy efficiency, renewable energy, and water conservation features; consider environmental impacts and waste minimization; create a healthy and comfortable environment; reduce operation and maintenance costs; and address issues such as historical preservation, access to public transportation and other community infrastructure systems. The entire life-cycle of the building and its components is considered, as well as the economic and environmental impact and performance.

Placing green housing projects within easy access of public transportation, medical facilities, shopping areas, and recreational facilities decreases the need for automobiles and encourages bicycling and walking. In addition, successful green buildings blend into the community, preserving natural and historical characteristics, and will utilize existing infrastructure.

- *Summary of Potential Impediments to Achievement*

Lack of broadband access, particularly in isolated rural areas has a crippling impact on citizens' access to education, health care and participation in the global economy. This form of infrastructure has become a basic need in the 21st century. Virginians living in remote areas need this infrastructure in order to experience the same quality of life widely available in more populated areas.

Rising construction and interest costs and difficulties in recruiting contractors are hampering DHCD's ability to address the substandard housing needs in many areas. One of the lingering effects of the recent housing boom, as reflected in high property valuations, is the increasing difficulty encountered in rehabilitation or building new modest homes within the limits of available funding. The provision and installation of manufactured or modular housing units may assist in the effective, efficient, and economical solution of a multi-faceted issue, however, obstacles such as planning and zoning ordinances may exist at the local governmental levels.

Many areas of the state that do not have access to public wastewater disposal systems also have topographic and soil characteristics that made on-site septic systems infeasible. Addressing this public health and safety need and its environmental consequences is difficult if alternative treatment and disposal options are not readily available.

Economic restructuring in small and rural communities continues to be challenging. As large chain retailers become more prevalent in rural areas, small locally owned businesses often cannot compete effectively. Traditional industries such as textiles, furniture and tobacco are no longer viable and replacing these jobs in areas with workforce concerns and limited infrastructure availability is very difficult. Finding strategies to economically sustain such communities requires innovation, access to flexible financing and strong state and local commitment to new approaches.

Funding reliability for programs such as the Rural Virginia Telecommunications Initiatives and the Southern Rivers Watershed Enhancement Program continues to present significant challenges in addressing quality of life issues in many communities in Virginia. In several localities, planning activities are underway and several projects are in process. However, no state funds were allocated for these programs in the FY 2009 & FY2010 state budget. Such drastic budget reductions present a challenge to planning and implementing programs to meet the needs of many Virginians.

Service Area List

Service Number	Title
165 458 01	Housing Assistance
165 458 04	Homeless Assistance
165 458 05	Financial Assistance for Housing Services
165 533 01	Community Development and Revitalization
165 533 03	Financial Assistance for Regional Cooperation
165 533 05	Financial Assistance for Community Development
165 534 10	Financial Assistance for Economic Development
165 562 02	State Building Code Administration
165 599 00	Administrative and Support Services
165 701 01	Intergovernmental Relations

Agency Background Information

Statutory Authority

Statutory authority for DHCD and its diverse housing and community development programs may be found in several different titles of the Code of Virginia.

Title 36 of the Code of Virginia provides the primary authority for DHCD.

Chapter 8 provides for the establishment of the Department and sets out the general powers and specific duties of the agency's policy board and its director. This includes the authority to administer various federally-funded housing and community development grant programs, including those administered by the Division of Housing:

HOME Investment Partnerships Program (HOME): National Affordable Housing Act, Title II, 1990, as amended.

Housing Opportunities for Persons with AIDS (HOPWA): AIDS Housing Opportunity Act, Public Law 101-624.

Emergency Shelter Grants (ESG): McKinney-Vento Homeless Assistance Act of 1987, Title IV, as amended, 42 U.S.C. 11371-78.

Temporary Assistance for Needy Families (TANF) [allocation from the Department of Social Services: Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193; Balanced Budget Act of 1997, Public Law 105-33; Deficit Reduction Act of 2005 (DRA), Public Law 109-171.

Low Income Home Energy Assistance Program (LIHEAP) [allocation from the Department of Social Services]: Low Income Home Energy Assistance Act of 1981, Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended; Energy Policy Act of 2005 Public Law 109-58.

Lead Hazard: Housing and Community Development Act of 1992, Title X, Public Law 102-550; Consolidated Appropriations Resolution Act, 2004, Public Law 108-199.

Weatherization Assistance Program (WAP): Energy Conservation and Production Act, Title IV, Part A, Public Law 94-385, 42 U.S.C. 6851-6872; Department of Energy Organization Act of 1977, as amended, Public Law 95-91, 42 U.S.C. 7101; National Energy Conservation Policy Act of 1978, Title II, Part 2, Public Law 95-619, 92 Stat. 3206; Energy Security Act of 1980, Title V, Subtitle E, Public Law 96-294; Human Services Reauthorization Act of 1984, Public Law 98-558, 98 Stat. 2888; State Energy Efficiency Programs Improvement Act of 1990, Public Law 101-440.

The Division of Community Development administers funds from the following federal community development programs:

Community Development Block Grants (CDBG): Housing and Community Development Act of 1974, Title I, as amended; Public Law 93-383; 88 Stat. 633; 42 U.S.C. 5301-5321.

Appalachian Regional Commission: Appalachian Regional Development Act of 1965, Public Law 89-4, as amended, 40 U.S.C. 14101-14704; Appalachian Regional Development Act Amendments of 2002, Public Law 107-149.

Chapter 1.4 establishes the Department's authority to administer a state low-income housing tax credit, which operates in conjunction with a federal low-income housing tax credit administered by the Virginia Housing Development Authority (VHDA). The Division of Housing administers the tax credit program.

Chapter 4, known as the Virginia Industrialized Building Safety Law, establishes the authority of the agency Board to adopt minimum safety standards for structures, other than manufactured homes, built off-site in one or more sections and transported to a site for installation. The Division of Building and Fire Regulations administers these regulations.

Chapter 4.1, known as the Virginia Manufactured Housing Construction and Safety Standards Law, designates the agency as the State Administrative Agency (SAA) for the enforcement of federal Manufactured Home Construction and Safety Standards. The federal standards (National Manufactured Housing Construction and Safety Standards Act, Title VI, Public Law 93-383; 42 U.S.C. 5401 et seq.; as amended; Public Laws 95-128, 96-399, 100-242, 102-550 and 106-569) preempt the application of state or local construction standards to this class of property. As an SAA, the Department receives complaints from manufactured home owners, investigates them as necessary, and refers them in accordance with the provisions of the regulations and the Cooperative Agreement with HUD. The Division of Building and Fire Regulations performs the SAA activities.

Chapter 4.2, known as the Manufactured Housing Licensing and Transaction Recovery Fund Law, establishes provisions for the licensing of various entities and occupations within the manufactured housing industry, addresses set-up requirements, and the provisions and enforcement of product warranties. It also provides a transaction recovery fund to reimburse persons experiencing losses or damage attributable to regulated parties. The Division of Building and Fire Regulation administers the licensing provisions and the recovery fund.

Chapter 6 establishes the Uniform Statewide Building Code (USBC), which provides a single set of prescriptive and performance standards for the regulation of all new building construction, alterations of existing buildings, and building maintenance, excluding agricultural and farm structures throughout the state. Article 2 of the Chapter also establishes the State Building Code Technical Review Board (Technical Review Board or TRB) a quasi-judicial body that interprets the provisions of the USBC and deliberates and determines appeals from decisions at the local governmental levels arising from the application of the USBC and certain other building-related regulations. The Division of Building and Fire Regulation administers the state building codes and regulations and supports the TRB.

Chapter 9 establishes the Virginia Housing Partnership Revolving Fund as a source of funding for the creation or preservation of low- and moderate-income housing. The bulk of the fund's assets were sold in 2003 to the Virginia Housing Development Authority. The General Assembly has made no additional appropriations to it. The program was formerly administered by the Division of Housing.

Chapter 10 establishes the Virginian Removal or Rehabilitation of Derelict Structures Fund to provide a source of grants to local governments to undertake the acquisition, removal, rehabilitation, repair or demolition of derelict structures. The Division of Community Development administered the program when appropriations were available to support grant awards to qualifying localities.

Chapter 11, known as the Housing Revitalization Zone Act, establishes a grant program to support the construction or rehabilitation of housing within designated revitalization zones. The General Assembly has not appropriated funds to implement the Act.

Authority for several specific housing and community development programs may be found in three subtitles of Title 15.2.

Subtitle II, Chapter 13, Article 1 Joint Actions by Localities requires the submission of voluntary intergovernmental revenue, tax base, and economic growth-sharing agreements to the Commission on Local Government for its review.

Subtitle II, Chapter 13, Article 3, known as the Regional Competitiveness Act, establishes an incentive fund to be administered by DHCD for the purposes of encouraging regional strategic planning, particularly economic development planning, and joint activities. The Division of Community Development administered the program when funds were available.

Subtitle II, Chapter 24.1 creates the Urban Public-Private Partnership Redevelopment Fund, to be administered by DHCD for the purpose of making loans or grants to local governments for the assembly, planning, clearing and remediation of sites for redevelopment by private entities. No funds have been appropriated for this program.

Subtitle III, Chapter 29 provides for the establishment of the Commission on Local Government, which became a part of DHCD in 2003. The Commission has various powers and duties relating to the review and analysis of boundary adjustments (e.g., annexation), changes of status (e.g., reversion to town), and certain other voluntary intergovernmental agreements.

Under the provisions of Title 30, Chapter 1, the Commission also analyzes and prepares fiscal estimates for proposed legislation that would result in additional expenditures or reduction of revenues for local governments. The Commission submits these estimates to the General Assembly, and the estimates are made available to the public on the Legislative Information System (LIS).

Subtitle IV, Chapter 42, known as the Regional Cooperation Act, provides for the creation of planning district commissions (PDCs) and, along with Title 36, Chapter 8 requires DHCD to perform certain functions relating to their oversight, including the designation of district boundaries, preparation of a biennial report on PDCs to the Governor and General Assembly, distribution of state funds appropriated for their support, and the administration of the Regional Cooperation Incentive Fund. With the exception of the latter, the Commission on Local Government handles these duties.

Subtitle IV, Chapter 50, which provides an overall process for the annual allocation of Private Activity Bonds, assigns to DHCD responsibility for the allocation of those portions of the state's private activity bond capacity set aside for local housing authorities and also that portion known as the "state allocation".

Authority for the promulgation of fire prevention regulations may be found in Title 27.

Chapter 9, known as the Statewide Fire Prevention Code Act, empowers the Board of Housing and Community Development to adopt the fire prevention code and provides for its enforcement by the State Fire Marshal and by the local code enforcement officials where the local governments so elect. Effective July 1, 2008, the inspection and enforcement activities of the State Fire Marshal's Office transferred to the Department of Fire Programs. Title 63.2, Subtitle IV Chapter 17 also obligates the State Fire Marshal to perform fire safety inspections of certain unlicensed child day care centers, and nursery or preschool facilities.

Authority for four tax-incentive programs administered by DHCD may be found in Title 58.1.

Chapter 3 in Article 3 provides that beginning in tax year 2008 and thereafter, DHCD is responsible for administering provisions of the existing Livable Home Tax Credit Program. Article 4 of this chapter establishes the tax refund check-off for housing programs. Finally, Article 13 of this chapter includes administrative provisions for the state low-income housing tax credit. The Division of Housing administers each of these programs.

Chapter 36 establishes a solar energy equipment tax exemption and requires the Board of Housing and Community Development to establish by regulation criteria to be used by local building officials in determining whether the solar energy equipment, facility or device is eligible for the favorable tax treatment.

Authority for one economic development program administered DHCD may be found in Title 59.1.

Chapter 22, known as the Enterprise Zone Act, provided for the creation of enterprise zones and established a series of incentives intended to stimulate investment and job creation in a limited number of areas designated by the Governor. The Division of Community Development administers this program, which was restructured beginning with the FY 2006 program design.

Chapter 49, known as the Enterprise Zone Grant Program, provides grants to incentivize job creation and investment in real property improvements within areas the Governor has designated enterprise zones in accordance with statutory criteria. The Division of Community Development administers this program.

An obligation for DHCD to provide staff support for a newly created regional commission may be found in Title 2.2.

Subtitle I, Part D, Chapter 25 requires DHCD to provide staff support to the Southwest Virginia Cultural Heritage Commission.

Customers

Customer Group	Customers served annually	Potential customers annually
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Anticipated Changes To Agency Customer Base

As Virginia's population ages and becomes more diverse, it will present different challenges for the services offered through DHCD. Increasing immigrant populations in many areas of the Commonwealth generate potential service needs and may require future acquisition of new language or related skills by agency staff. The increasing numbers of elderly and disabled Virginians will require unique service approaches to meet the special needs of this population.

Partners

Partner	Description
[None entered]	

Products and Services

- *Description of the Agency's Products and/or Services:*
 1. Housing Assistance

DHCD provides comprehensive housing assistance services to low-income and very-low-income citizens, as well as the elderly, individuals with mental and physical disabilities and AIDS. DHCD programs create affordable housing for ownership and rental, provide funds for down payment and closing costs, and preserve the housing that serves these populations.

While most affordable housing programs serve individuals at or near 80% of median income, DHCD targets the hardest-to-serve individuals and families. Typically, DHCD programs serve households below 60% of median income. In order for housing to be affordable, either for rent or for ownership, DHCD creatively leverages its federal funding to provide very low-interest, no interest loans and grants in cooperation with and through partner agencies and organizations. Many of the individuals and families served would never qualify for home ownership through conventional loan programs or be able to afford the rental housing being developed through other development and financing organizations. Others would be forced to leave existing housing due to safety, accessibility or lack of basic services, like indoor plumbing.

Housing improvements are targeted to low-income citizens who live in substandard housing, with a special emphasis on those without basic indoor plumbing facilities. According to the 2006 American Community Survey, approximately 10,688 occupied households in Virginia lack indoor plumbing.

Housing Assistance provides loans or grants that directly affect the quality and affordability of housing; assist in emergency repairs, weatherization and rehabilitation activities including indoor plumbing; promote the creation or preservation of affordable renter- and owner-occupied housing; and provide training, technical assistance and support

to potential local partners. Working in collaboration with community-based nonprofits, local governments, state agency partners and others, the Department's activities in the area of housing assistance result in:

- Expanded home ownership opportunities for low-income persons through financial assistance for down payments and closing costs and access to low-interest loans;
- An increase in safe, accessible and affordable rental housing, as well as housing ownership opportunities for low-income and very-low-income persons and families, the elderly, those transitioning from homelessness, and disabled persons through organizational development and pre-development loans to community-based housing organizations (CHDOs) assistance and construction loans;
- Safer homes through grants that remove health and safety hazards, barriers to habitability and accessibility, and lead paint assessment and abatement;
- More affordable housing through energy assessments and grants that weatherize; and
- Improved housing conditions for families without access to indoor plumbing.

A. Homeownership Programs

The Home Ownership Program down payment assistance to help low- and moderate-income families become first time home owners. This approach helps leverage the resources of Virginia Housing Development Authority (VHDA), HOME funds are used to cover down payments and closing costs. Funds are made available through regional administrators. This results in over 200 new homeowners each year.

B. Housing Production and Preservation Programs

Affordable Housing Production and Preservation provides low-interest loans for the construction and rehabilitation, including acquisition/rehabilitation, of multifamily rental properties (four or more units) and congregate housing projects that serve low-income households. A portion of the funds are set aside for projects developed by CHDOs. Under this program over 400 units of affordable housing are created or rehabilitated each year.

C. Housing Rehabilitation and Safety Programs

Check Off for Housing Program provides state grants to nonprofit organizations, community action agencies and units of local government for projects that improve the accessibility of housing for disabled persons, the elderly and persons who are low-income.

Emergency Home Repair provides grant funds for energy improvements and repairs to homes of very low-income persons (those below 50% of the area median income) for the removal of health or safety hazards and barriers to habitability and accessibility. The program is administered through local administrators including nonprofit and local government entities and typically address 400 homes per year.

Lead-based Paint Abatement will make 100 housing units across the Commonwealth safe from the hazards of lead-based paint by removing or covering deteriorated paint. The program targets pre-1978 housing and assists low-income families with children six years of age and younger who have been affected or may be affected by lead in paint. Local health departments provide medical case management to families with affected children. Assistance is available to income eligible households including owners of rental properties affordable to the targeted population. Funds are provided to DHCD from the U. S. Department of Housing and Urban Development.

Weatherization provides federal grants to make energy-related repairs and testing of heating system safety to homes occupied by families with low incomes. The program is administered through local administrators including community action agencies, governmental entities and nonprofit organizations. Funding is provided through state general funds, the U.S. Department of Energy, and from a set-aside of Low Income Home Energy Assistance Program provided by the U.S. Department of Health and Human Services to the Virginia Department of Social Services. Each year over 2,000 homes are weatherized and have heating systems repaired, which makes these homes more affordable to the families living in them.

Indoor Plumbing Rehabilitation provides grants and loans to lower-income households that lack complete indoor plumbing. Improvements are made not only to provide indoor plumbing, but also to bring the entire unit up to established Housing Quality Standards. This program annually provides services to 175 lower-income households that lack complete indoor plumbing.

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; and (d) individuals with HIV/AIDS. 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, and offer supportive services to those with special needs including victims of domestic violence. Without these programs, the safety and lives of thousands of individuals and families would be jeopardy. Again, DHCD leverages its funds and that of its partners to insure that the housing needs of Virginia's most vulnerable citizens are met. Services to these customers result in:

- A reduction in homelessness through temporary rent and mortgage assistance and security deposits for households transitioning out of homelessness;
- Safe and available emergency housing for thousands of individuals and families who find themselves homeless each year and services that help move them from homelessness into housing;
- Supportive services that allow families to secure employment and to move to transitional or permanent housing; and
- Housing availability for individuals who have mental or physical incapacities, AIDS, or other conditions that require more services than are available through traditional housing models.

2. Homeless and Supportive Housing Assistance Programs

The Homeless Intervention Program provides state as well as TANF funds to local administrators to be used for loans and grants for temporary rental and mortgage assistance and security deposit assistance to households that are homeless or to low-income households at imminent risk of homelessness due to a crisis situation. Eligible local administrators are local governments, public housing authorities and nonprofit organizations. Over 1,100 households are able to maintain their current housing as a result of this program.

Shelter Improvement Grants provide state and federal funds through grants in the form of forgivable loans for

acquisition, new construction and/or rehabilitation for the expansion or preservation of emergency shelter and transitional housing. Eligible project sponsors are local governments, public housing authorities and nonprofit organizations.

Emergency Shelter Grant and State Shelter Grants offer funds to providers of emergency shelter, day shelter and transitional housing for the homeless for operations and supportive services that work to resolve the reasons for homelessness. Eligible project sponsors are local governments and nonprofit organizations. Emergency and transitional housing services were provided to over 30,000 persons in 2007. The combination of housing and supportive services resulted in over 4,000 households moving from emergency and transitional shelters into permanent housing.

Child Care for Homeless Children Program provides federal grant funds made available through the Department of Social Services to providers of emergency shelter and transitional housing for homeless families that are employed or are in job training or educational programs. Eligible project sponsors are local governments and nonprofit organizations. Child care was provided to 395 children in FY 2007, which allowed a parent to engage in education, training or employment.

Child Services Coordinator Grants provide state grant funds to providers of emergency shelter for homeless families with children for salary support for child services coordinators. Eligible project sponsors are local governments and nonprofit organizations. There are child services coordinators in 56 emergency and domestic violence shelters and transitional housing facilities throughout Virginia.

Housing Opportunities for Persons with AIDS provides federal grant funds for acquisition, rehabilitation, new construction, leasing, operation of housing facilities, rental and mortgage assistance, utility payments, housing information, resource identification, technical assistance and supportive services for low-income persons with AIDS or HIV and their families. Eligible project sponsors are local governments and nonprofit organizations that serve persons with AIDS or HIV. Each year more than 250 households affected by HIV/AIDS receive supportive services and housing through this program.

3. Community Development and Revitalization

Community Development and Revitalization covers a broad spectrum of efforts designed to enhance the development of Virginia's most distressed communities and serve low-income residents.

DHCD provides flexible, overall community development assistance that can be tailored to meet the priority needs of an area. Infrastructure development provides drinking water and wastewater disposal to areas that do not have adequate facilities to meet residential or economic development needs. These activities address the needs of Virginia households that do not have access to clean, safe drinking water. Community services and facilities that are targeted to meet the needs of low-income citizens may also be undertaken. Housing rehabilitation improvements are targeted to low-income citizens who live in substandard housing and support for new housing development for low-income citizens and special needs populations is also available. Communities can use DHCD resources to craft responses to what they consider their most pressing concerns. These overall community development efforts provide clean, safe drinking water to over 1,000 households each year and improve the housing conditions of approximately 300 families annually.

Community economic development efforts range from infrastructure support for industrial locations, to downtown revitalization to entrepreneurship. DHCD administered state incentives are used to encourage businesses to target new jobs and investment in designated distressed areas. These activities help make distressed communities more competitive in a rapidly changing global economy. DHCD's community economic development efforts usually assist at least 350 businesses each year and support the creation of over 4,000 new jobs annually.

Program activities are carried out through local and regional partners. This means that DHCD needs partners that are capable of carrying out complex projects, often involving multiple funding resources. It also means that our partners are the critical connection to the individuals, neighborhoods and communities that will benefit from program activities. In order to strengthen and develop effective partnerships, individual and community capacity building activities are carried out to ensure that local governments and community-based organizations are positioned, trained and organized to participate in a wide spectrum of community development efforts. DHCD also provides targeted assistance, through community-based organizations, that helps individuals overcome barriers that inhibit them from fully participating in community and economic activities. These capacity building efforts assist approximately 30 community-based organizations each year.

A. Community Development Programs

Community Development Block Grant Program (CDBG) - provides federal community development grant funding to localities for water, sewer, housing rehabilitation, economic opportunities and community service facilities for low- and moderate- income citizens.

Appalachian Regional Commission Program (ARC) - provides financial assistance to communities located within Virginia's Appalachian Region, primarily to support community development and job creation activities.

Southeast Rural Community Assistance Project (Virginia Water Project) - provides state assistance to families for community water and sewer systems.

Regional Infrastructure Support Grants – state funds are directed to Planning Districts 1,2 and 3 to support regional efforts to provide water and wastewater service to areas that currently lack such public services.

Southern Rivers Watershed Enhancement Program - provides funding to non-Chesapeake Bay watershed communities to develop wastewater systems which eliminate direct discharge of sewage and pollution of streams.

B. Community Economic Development Programs

Enterprise Zone Program - promotes overall community revitalization by providing state incentives to businesses creating new jobs or making real property investments within designated geographic zones within communities.

Main Street Program - promotes comprehensive economic and physical revitalization of historic downtowns and neighborhood commercial districts in Virginia towns and cities.

Community Telecommunications Planning Grants – provide funding and technical assistance to localities to assess broadband needs and develop strategies to partner with private internet providers to bring affordable high speed telecommunications to rural areas.

Virginia Enterprise Initiative (VEI) - provides state grant funding to support micro enterprise development programs promoting entrepreneurship for lower-income Virginians. VEI leverages significant private sector resources in the form of loan pools from banks and provides business training and assistance to participating entrepreneurs.

C. Individual and Community Capacity Building Programs

Community Capacity Building - provides a continuum of technical assistance and capacity building services in support of a grassroots citizen-based approach to community development. Enables distressed rural communities to access resources to address key community needs.

Seed Fund Program - provides state grant funds to encourage and support the development of nonprofit, community-based programs in the areas of the Commonwealth of Virginia that are un-served. The Seed Fund Program provides technical assistance and operational funding support.

Virginia Individual Development Accounts – financial literacy training and matched savings are provided to low-income individuals for post-secondary education, first-time home ownership, or self-employment.

4. Building Safety

A. The State Building Code Administrative and Technical Assistance and Services Offices

Virginia is one of seven states that adopts at least nine national model codes with a mandatory system of uniform statewide building and fire regulations enforced by both the state and local governmental entities, prohibiting local amendment apart from more restrictive fire ordinances. The regulations are adopted by the Board of Housing and Community Development (the Board or BHCD) being administered at the state level and enforced at the local governmental levels across the Commonwealth. These Offices work with the Board to promulgate the regulations and to provide technical and administrative assistance to state agencies, design professionals, construction industry tradesmen, building owners, and other citizens seeking information and assistance regarding the state building and fire regulations. DHCD emphasizes a systems approach to the code compliance and enforcement industry, including code development, technical interpretation and application, and training and certification. During the code development process, DHCD coordinates and works collectively with a diversity of constituent and stakeholder organizations representing local governments, state agencies, other state boards, design professionals, contractors, tradesmen, professional trade organizations, building owners, property managers, and consumers. In addition to the provision of uniformity, special attention is granted to the achievement of appropriate levels of safety having a minimal impact upon costs and thus the attainment of affordable levels of buildings and structures, especially housing.

In a collaborative approach, the SBCAO and TASO focus on the development, interpretation, and application of state building and fire regulations applicable to conventional buildings as well as industrialized, manufactured, and modular structures. An emphasis upon uniformity in regulatory requirements, as well as compliance and enforcement reduces building construction and maintenance costs while it also ensures an appropriate level of safety in the built environment.

- During FY 2008, staff responded to over 25,500 requests for technical and administrative assistance from customers.
- Information regarding building codes and regulations, programs, and policies of the Department was presented to more than 2,000 attendees during approximately 80 meetings annually of various client and customer groups, building officials and technical assistants, as well as professional organizations and trade inspector associations.

The State Building Code Technical Review Board (Technical Review Board or TRB) – staffed by the Technical and Administrative Services Office (TASO), supports the quasi-judicial functions and administrative operations, deliberates upon and determines appeal cases brought forth from the local governmental levels, and provides technical opinions and interpretations resulting from formal inquiries. During FY 2008, TASO staff processed approximately 12 appeal applications concerning disputes over local enforcement of the Virginia Uniform Statewide Building Code (USBC) and the Virginia Statewide Fire Prevention Code (SFPC). TASO staff assisted the State Attorney General's Office in preparation for defense of three Technical Review Board appeal decisions which were further appealed to the Courts. TASO staff processed five interpretation requests submitted to the Technical Review Board by local building and fire officials regarding the state building and fire regulations, which resulted in the issuance of three formal interpretations. In addition, the Technical Review Board recommended two proposals to the Board of Housing and Community Development (the Board or BHCD) as future amendments to the USBC, one of which was approved and adopted.

The Jack A. Proctor Virginia Building Code Academy (JPVBCA) – provides the foundation for the uniform enforcement of the USBC by providing basic, technical, advanced, and specialized training for code enforcement personnel that ultimately focus on the protection of the life, safety, and welfare of the citizens in the built environment, their workplaces, and their homes throughout the Commonwealth of Virginia. In addition, the JPVBCA, as recommended by the Building Code Academy Advisory Committee (BCAAC), is currently implementing a continuing education program for all code enforcement personnel, requiring 16 hours of continuing education credits for every two year period, effective in May 2008. During FY 2008, TCO issued 829 certifications to code enforcement personnel and independent third party inspectors. Training was delivered in all aspects of code enforcement and inspection for 2,819 code enforcement professionals holding BHCD certificates in Virginia, equating to 1,349 training seats filled, in FY2008. The JPVBCA provided over 41 courses, including Core, technical, advanced, and specialized training programs and courses, such as wall braced panels and examination preparation. Development and improvements to the course and program offerings through the JPVBCA is in progress. In the 2008 fiscal year and the beginning of the 2009 fiscal year, the JPVBCA completed instruction of code updates in conjunction with the adoption cycle of a new edition of the model building codes, providing over 60 sessions and filling a total of 5,096 training seats across the state. DHCD partnered with the Virginia Community College Workforce Alliance (CCWA) to develop and deliver a technologically enhanced training program through a combination of simul-cast and web-stream formats to 13 remote site facilities. DHCD affiliated with a sister agency, the Department of Professional and Occupational Regulation (DPOR), to offer approved credits for DHCD courses and programs that comply with continuing education requirements for DPOR licensed individual contractors for master and journeyman tradespersons.

The Virginia Manufactured Housing and Industrialized Building Programs – provides support to the Manufactured Housing Board and administers the Manufactured Licensing Program and the Transaction Recovery Fund. Its responsibilities also include the investigation of manufactured housing complaints, and the inspection of manufactured homes, manufacturing facilities, and sales lots. During FY 2008, staff accomplished the manufactured housing and industrialized building programs through the following: processed and referred 47 consumer complaints and reported violations of manufactured homes and industrialized buildings, and conducted site investigations of 21 of the structures; conducted 182 inspections at manufactured home retail locations to monitor the dealer's compliance with state and federal regulations; conducted 66 factory audits at industrialized building factories located in and outside of Virginia to monitor the Compliance Assurance Agencies' performance; reviewed approximately 965 industrialized building plans to monitor the plans review performance of the Agencies; assisted with settlements from the Manufactured Housing Transaction Recovery Fund, which has paid approximately \$324,000 accumulatively since 1996 to consumers for damages or losses to their manufactured homes

5. Regional Cooperation

This service area supports regional community and economic development efforts. Regional approaches offer coordinated, cost effective and efficient methods of intervention in many critical service areas. Localities can use regional structures to access resources that would not be feasible on their own. Coordinated regional planning leads to more efficient deployment of limited state and federal financing resources. Regional entities can also provide assistance in linking individual local efforts to maximize results and minimize costs. State support of regional approaches helps provide better program service delivery and results in more coordinated outcomes.

A. Intergovernmental Relations

This function area integrates the primary activities conducted by the Commission on Local Government. These intergovernmental services enhance localities within the Commonwealth through:

- (a) the provision of reports analyzing the ramifications of proposed boundary change, local governmental transition, and related inter-local issues;
- (b) the provision of technical assistance regarding Virginia's local boundary change and local governmental transition processes;
- (c) the extension of mediation assistance in efforts to resolve inter-local issues;
- (d) the development of statistical analyses providing comparative profiles of local fiscal conditions;
- (e) oversight and reporting responsibility with respect to all state and federal mandates imposed on Virginia's localities;
- (f) the examination of proposed state legislation for its potential fiscal impact on the state's localities;
- (g) the collection of data and preparation of an annual report on local government utilization of cash proffers; and
- (h) the provision of other information relative to the legal framework affecting localities in Virginia.

B. Intergovernmental Relations Programs

Resolution of Inter-local Issues - develops advisory reports on local boundary change and governmental transition issues for localities and the courts. Provides technical assistance to localities and state agencies regarding local governmental boundary change and transition issues. Identifies and develops mediation resources for use by localities in the resolution of inter-local issues. Annually, this office has documented its provision of technical assistance to over 150 various local governments and other entities.

Local Statistical Analyses - develops and distributes annual report analyzing the comparative revenue capacity, revenue effort, and fiscal stress of counties and cities. Also, develops and distributes periodic reports analyzing changes in the revenue and expenditure profile of Virginia's cities and counties. Eight state agencies rely on the comparative revenue capacity or the fiscal stress statistics produced annually by this office in their distribution of approximately \$163 million in various state-aid funds that they administer.

Catalog and Assess Mandates - develops catalog of state and federal mandates applicable to Virginia localities. Provides oversight of executive agency assessment of state and federal mandates on localities.

Cash Proffer Survey and Report – surveys the acceptance of cash proffers by eligible localities in order to assist the General Assembly in determining the amount of cash proffer revenues and expenditures of local governments and the purposes for which such expenditures were made and publishes the results in an annual report to the chairmen of the Senate Local Government Committee and the House Counties, Cities and Towns Committee.

• *Factors Impacting Agency Products and/or Services:*

A. Housing Services

As housing costs continue to exceed growth in income, the opportunity for low-income individuals and families to find and maintain housing will become more limited, which will cause an increase demand for products and services. A study by the Virginia Tech Center for Housing Research estimated that over 94,000 units would be necessary to meet the growth in the number of lower-income households projected to occur between 2000 and 2010.

- Demolition of deteriorated and obsolete low-income rental units in large metropolitan areas continues to accelerate with expiration of tax credit programs implemented in the mid-80s resulting in shortage in affordable rental housing.
- Growing gap between incomes and housing costs for very-low-income persons as housing costs continue to escalate throughout the Commonwealth.
- Growing numbers of disabled, elderly, and homeless households are creating a higher demand for housing connected to critical supportive services.
- Requests for assistance for home modifications are expected to increase due to a larger elderly Population and an increasing movement for disable persons to re-enter the community.
- Higher costs for materials are expected to increase the average cost per housing unit.
- Federal funding cuts affecting the operations of many nonprofit organizations, such as Community Action Programs.
- The number of activities/organizations eligible for voluntary contributions from state tax refunds has greatly increased.

B. Community Development

- Funding reliability for the Rural Virginia Broadband Telecommunications Initiative.
- Funding stability for the Southern Rivers Watershed Enhancement Program.
- Funding availability at the state level for the Virginia Enterprise Zone Program incentives.
- Funding availability at the state and federal levels especially reductions in ARC and CDBG allocations.
- Program service revisions in response to new and changing client needs and interests.
- Local capacity to serve as partners in the described activities.
- Legislative changes impacting the structure of these programs.
- Local capacity to help make businesses aware of these program resources.
- External economic conditions impact businesses' ability and willingness to create new jobs and investment regardless of public sector financial inducements.
- Remote location of communities needing access to water and wastewater disposal.
- Lack of broadband infrastructure limiting the economic future and quality of life in rural areas.

C. Building Safety

Factors potentially impacting products and services relative to the USBC and SFPC include:

- General construction industry conditions based upon current economy trends potentially affecting the code enforcement personnel of local governmental entities which enforce the codes and regulations.

- Increased numbers of code enforcement personnel, i.e. building officials, technical assistants, and independent third party inspectors, in a positive, up-turned, or inflated economy, necessitating increased staff response to requests for technical and administrative assistance, training, and certification.
- Steady or slightly decreased numbers of code enforcement personnel seeking initial training and subsequent certification in a negative, down-turned, or depressed economy, causing increased code enforcement personnel seeking certification in combination inspections or multiple disciplines, necessitating increased staff response to requests for certain technical assistance, training, and certification.
- Development of new and future technical, advanced, and specialized curriculum, courses, and programs to include elevator inspection, accessibility, energy, and sustainability as well as the implementation and promotion of regional training initiatives.
- Development of future delivery formats and alternate media to include computer-based and web-based training, as well as distance learning programs.
- Implementation of continuing education program for code enforcement personnel, requiring 16 hours of continuing education credits every two years, which is to be funded through an increase in the levy surcharge permit fee to the full 2% authorized by law, and potentially instigating a rise in demand for advanced, progressive, professional development offerings and opportunities.
- Continued participation of DHCD staff in the development of the new regulatory provisions and subsequent editions of the International Code Council (ICC) national model building codes to assure that the content and intent of the national model codes remain consistent with the ideals and objectives of the Virginia regulations and its citizens, effecting that buildings and structures are constructed and maintained in a safe and affordable manner.
- Future retirements and departure of key supervisory personnel and senior technical staff and the attraction of their replacements with highly qualified persons having industry knowledge and skills, necessitating a review of the compensation structure.

Factors potentially impacting products and services relative to the Industrialized Building Safety Regulations (IBSR) and the Manufactured Homes Safety Regulations (MHSR) include:

- Industrialized Building Programs – The numbers of manufacturers and the numbers of industrialized or modular building produced have been increasing 8% annually over the last several years. That trend is expected to continue. In addition, the buildings themselves have become larger and more complex structures, often resulting in additional assistance requests from local enforcement personnel.
- Manufactured Housing Programs – Changes in the federal manufactured housing program impact Virginia's program. Since these programs are self-funding or Special Fund programs, fluctuations or downturns in the industry have an effect on the funding stream for these programs. When fewer manufactured homes are produced and sold, the revenues for the programs are reduced, without an equal reduction in the workloads of the programs. There is an anticipated 30% drop in production.

D. Regional Cooperation

- The Commission on Local Government has no control over its agenda with respect to inter-local issues, and it is required to accept cases as they are presented to it and to complete its review of those cases within statutorily prescribed time frames.
- Virginia law governing annexation, local government transitions, and consolidations is extremely complex and requires an extraordinary amount of time to inform local government officials, the media, and the public regarding the legal processes and their ramifications.
- Some of the principal data utilized by the Commission is generated by other state agencies, institutions of higher education and local governments, and delays and errors in the production of such data can affect the completion of Commission projects.
- *Anticipated Changes in Products or Services:*
 - A. Housing Services
 - The significant downturn in the housing market coupled with the growing foreclosure crisis have resulted in market conditions that make first-time homeownership very difficult for low and moderate income families. It has also resulted in additional demand for the already limited supply of affordable rental housing.
 - The demand for services is anticipated to increase due to the aging population. It is unlikely that the current funding levels will be adequate to meet the increased demand.
 - As the cost of materials rises, some program activities may become limited due to caps on the amount of funds, particularly federal funds that may be used in a housing unit.
 - The recent decrease in federal support for Community Action Programs, one of DHCD's partners, is expected to have an effect on the number of staff available to provide direct services. This may result in fewer housing units receiving assistance.
 - As housing units age, they need repairs, often due to deferred maintenance as the occupants are unable to afford the necessary repairs and upkeep. It is anticipated that demand for services will increase as these homes reach critical condition. It is unlikely that the current funding levels will be adequate to meet the increased demand.
 - Recent studies have indicated that direct access or rapid exit programs for homeless individuals and families are not only cost effective but also result in improved outcomes. DHCD is working with partner agencies to develop funding formulas that incorporate housing first as a primary means of ending homelessness. This change would impact the funding formulas for most of the grant programs currently administered.
 - With the Commonwealth's goal of ending homelessness, improved data collection mechanisms are needed to track progress. A statewide reporting system is needed to reduce the incidence of duplicated counts related to the number of homeless and to track the outcomes related to services provided.
 - The federal focus on the chronic homeless and housing, rather than services, is shifting resources away from programs serving the broader population of homeless individuals and families.
 - DHCD is examining ways to address the cost of rehabilitating substandard housing units lacking complete indoor plumbing.
 - B. Community Development
 - DHCD continues to explore ways to balance the demand for the Enterprise Zone Program and the allocated resources for the program. DHCD received 327 Enterprise Zone grant applications. EZ grant requests exceeded \$25.7 million and

all grants were pro-rated at .60 cents on the dollar in order not to exceed the \$15.4 million budget allocation DHCD processed 81 Enterprise Zone tax credit applications. Requests were within the statutory limit of \$7.5 million in tax credits (annual limit).

- DHCD will seek innovative ways and partnerships to expand statewide micro enterprise development through the Virginia Enterprise Initiative.
- DHCD is working with numerous communities strategies for improvement in quality of life and affordable high speed telecommunications for economic restructuring.
- DHCD's asset building program, the Virginia Individual Accounts program, will significantly expand as a result of a \$1 million federal grant.
- DHCD's e-government initiative will change the way clients interact with the agency. Reports and funding applications can be made electronically making such submissions easier to submit and process.
- DHCD is working to increase capital access for projects in distressed communities or serving distressed populations. This is taking place through a partnership with Virginia Community Capital, Inc., the statewide community development financing institution..

C. Building Safety

Anticipated changes relative to the Uniform Statewide Building Code (USBC) include:

- Local code enforcement staffs and third party inspectors are typically increasing at 2% per year, thus increasing the demand on the TASO Training and Certification Unit.
- In a positive, up-turned, or inflated economy, increased numbers of code enforcement personnel, i.e. building officials, technical assistants, and independent third party inspectors, necessitate increased staff response to requests for technical and administrative assistance, training, and certification.
- In a negative, down-turned, or depressed economy, steady or slightly decreased numbers of code enforcement personnel seeking initial training and subsequent certification, resulting in increased existing personnel seeking certification in combination inspections or multiple disciplines, necessitate increased staff response to requests for certain technical assistance, training, and certification.
- New training programs and course offerings will be implemented by the TASO Training and Certification Unit in parallel with gubernatorial initiatives, emphasizing energy and sustainability.
- New training delivery formats will be implemented by the TASO Training and Certification Unit in parallel with gubernatorial initiatives, including an increased incorporation of technology such as computer-based, web-based, and other media opportunities for statewide broadcast.
- As future editions of the national model codes are adopted and implemented in Virginia, the SBCAO and TASO staff will be relied upon to meet the increased demands for technical and administrative assistance from an increasing number of code officials and technical assistants and to facilitate the required code update training.
- The introduction and adoption of the 2009 International Code Council's (ICC) national model codes will necessitate the development, implementation, and facilitation of additional training in 2011 for more than 3,000 code enforcement personnel and clients collaboratively provided by the SBCAO and TASO staff and the JPVBCA instructors.
- The development and implementation of electronic products and software programs in conjunction and cooperation with the ICC provision of Smart-Codes and other electronic products will allow for availability, access, and convenience provided at no or minimal charge to the public users.
- The enhancement of on-line registration and application systems and expansion of electronic databases for technical and training assistance.
- The development and implementation of a GIS-based inspection report system and plan review software programs will augment technical assistance services.
- Electronic publication to and communication with all clients through the DHCD website and other related links will share information, expand awareness, and generate requests for services.
- The development and implementation of automated business and fiscal services and systems support the primary functions and daily operations of the SBCAO and TASO.
- Future retirements and departure of key supervisory personnel and senior technical staff and the attraction of their replacements with highly qualified persons, necessitating a review of the compensation structure.

Anticipated changes relative to the industrialized Building Safety Regulations (IBSR) and the Manufactured Housing Safety Regulations (MHSR) include:

- Industrialized Building Safety Regulations – Since industrialized and modular buildings are often transportable and move across state boundaries, the SBCAO is developing a program for certification and labeling of the existing modular buildings that are brought into Virginia without the Virginia registration seal. This service has been requested by industry representatives and will be incorporated into the 2006 edition of the regulations.
- Manufactured Housing Safety Regulations – The federal manufactured housing programs under HUD and the implementation of new federal manufactured housing program components mandated by federal law could have an impact on our programs in Virginia. Model programs regarding manufactured home installation and dispute resolution are being developed at the federal level. If state programs regarding installation and dispute resolution do not meet the minimum acceptable criteria of the model programs will be required to implement such programs in any state not meeting the minimum model programs.
- New training programs for Manufactured Housing and Industrialized Building Safety Regulations

D. Regional Cooperation

The inter-local issues that are reviewed by the Commission on Local Government can be contentious and disaffection with Commission findings and recommendations can lead to negative reactions.

Finance

• *Financial Overview:*

DHCD's funding comes from federal funds (53%), general funds (38%), and special funds along with other nongeneral funds (9%).

• *Financial Breakdown:*

	FY 2009		FY 2010	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$44,541,138	\$71,513,064	\$43,194,485	\$71,473,064
Change To Base	\$0	\$0	\$0	\$0
Agency Total	\$44,541,138	\$71,513,064	\$43,194,485	\$71,473,064

This financial summary is computed from information entered in the service area plans.

Human Resources

• *Overview*

As of July 1, 2008, the Department of Housing and Community Development (DHCD) has an authorized FTE level of 110. Ninety-seven of these positions are currently filled and 13 are vacant. Of the vacant positions, 12 are vacant as a result of turnover and one is a new position granted by the General Assembly for the Fort Monroe Federal Area Development Authority (FMFADA). In 2008, DHCD was authorized by legislation to act as the fiscal agent necessary to support the administration of FMFADA which is located in Hampton, Virginia. In addition to the FMFADA office in Hampton, DHCD has offices located in Richmond and Abingdon. The Abingdon Office is a field office for the Project Management Office within the Division of Community Development. It also houses one position for the Division of Building and Fire Regulations. There are currently 88 employees located in the Richmond Office and five in the Abingdon Office, and three employees working at FMFADA. DHCD consists of four divisions: the Division of Administration which has 33 positions (26 classified, three at-will and four ungraded FMFADA positions) is responsible for all the administrative functions of the agency; the Division of Community Development has 40 classified positions and is responsible for a variety of community development and economic development programs and activities; the Division of Housing has 18 classified positions and is responsible for a variety of housing, homeless and housing finance programs and activities; and the Division of Building and Fire Regulation has 19 classified positions responsible for the administration, training and enforcement of the state building and fire regulations. The agency uses 26 different role codes and the top three codes used are Program Administration Specialists II with 25 positions, Administrative and Office Specialist III with 13 positions and Program Administration Manager II with 8 positions. The Program Administration Specialists administer the various federal and state programs. The Administrative and Office Specialists provide program and administrative support throughout the agency and the Program Administration Manager positions manage and oversee the various federal and state programs. Of the currently filled positions, 11% are eligible to retire with an unreduced benefit and 17% are eligible to retire in the next five years. DHCD will face several human resource issues as the current workforce retires.

• *Human Resource Levels*

Effective Date	7/1/2008	
Total Authorized Position level	110	
Vacant Positions	-13	
Current Employment Level	97.0	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	97	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	5	
Contract Employees	3	
Total Human Resource Level	105.0	<i>= Current Employment Level + Wage and Contract Employees</i>

• *Factors Impacting HR*

Eleven percent (11%) of DHCD employees are eligible to retire immediately and 17% are eligible to retire in the next five years. The obvious impact is the financial costs of paying leave balances and the years of loss of experience and institutional memory.

The demand for more services and specialized skills means that the agency will have to reallocate positions and raise salaries in order to fill current positions and those needed in the future. Today's market already exceeds state salaries for these skills. As the agency replaces the retirees and fills new positions, it will need to secure additional financial resources.

The need for effective succession planning will become greater in the next several years as many of the agency long term employees retire.

While the agency has a mechanism for retention of employees based on monetary rewards, human resources will need to evaluate other ways to retain employees. Studies show that work-life balance issues are key factors for retaining bright talented Generation X employees as well as baby boomers nearing retirement. Supporting teleworking and alternative work schedules for employees will become increasing important.

Ongoing management training and professional development will need 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.

As the cost of fuel continues to escalate, the agency will have to consider alternatives for its workforce such as secure remote access and the ability to telecommute. The agency has already implemented the Commuter Choice Program which provides 100% of the commuter's cost, up to \$115, if the employee is participating in a van pool or rides public transportation.

Ongoing evaluation of the agency's human resource programs and organizational structure is critical to ensuring the effective delivery of services.

- **Anticipated HR Changes**

Over the next five years, approximately 22% of the current workforce may need to be replaced. As this occurs, funds will need to be allocated to pay for recruitment costs, payment of leave balances and other costs associated with severance.

Because all of the Deputy Directors are among those who could retire in the next five years, DHCD has developed an effective succession planning strategy. The agency will have to invest heavily in leadership and management training for Associate Directors and Program Managers. New skill sets, training and development requirement will be needed to meet strategic goals. Since these skills are not currently available, training costs will soar as we try to improve the skill levels of current employees to meet future needs.

The demand for more services and specialized skills also means that the agency must be able to raise salaries comparable to those in the private sector for such skills in order to attract and retain highly skilled agency employees.

The demand for the agency's services is constantly growing; however the size of the workforce and other available resources has not kept up. If additional positions are not secured, the current workforce will be stressed, overworked and ultimately inefficient. This will lead to increased turnover, absenteeism, health costs and recruitment costs.

Information Technology

- **Current Operational IT Investments:**

Electronic Services

The agency IT department is planning and developing several projects that will increase public accessibility to agency services. The goal is to deliver applications and services that are available to citizens of the Commonwealth at any time from any location via a centralized web portal. A key component of the new system will be the capability to accept 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. It will also greatly increase the reporting capabilities of the participating divisions and minimize 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.

Current applications such as the Virginia Main Street online registration and payment system, the Virginia Enterprise Zone Program along with others from Community Development will be integrated as the first portal applications are completed.

Systems that will be introduced in the first Phase of the citizen portal are listed below.

TASO Administrative Information System

1. The Technical Assistance and Services Office administer numerous revenue generating programs which requires the management of a high volume of administrative and financial information. Currently this data is captured within separate databases, spreadsheets and word documents. In an effort to streamline and improve processes the Information Technology and Fiscal Services Departments are collaborating to create the web-based Administrative Information System (AIS). Services that are to make up the initial TASO AIS are:

- A. Manufactured Housing Licensing application and payment
- B. Seals application and payment
- C. Training and Certification registration and payment

This system is currently in the early phase of development and testing.

- **Factors Impacting the Current IT:**

Anticipated changes once the VITA transformation activities are initiated may impact DHCD's ability to serve both internal staff and external customers. As outlined in the IT Current State and Issues section, the agency is beginning to develop more web based applications to better serve our customers and the unknown changes with transformation could impact our progress with this initiative.

- **Proposed IT Solutions:**

The fiscal data base will need to be monitored and enhanced as new systems are designed in order to create a seamless transaction system between divisions and the Fiscal office. It is anticipated that our existing level of service and security will continue as VITA initiates the transformation phase

- **Current IT Services:**

Estimated Ongoing Operations and Maintenance Costs for Existing IT Investments

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Projected Service Fees	\$413,652	\$82,162	\$419,857	\$83,394
Changes (+/-) to VITA Infrastructure	\$0	\$0	\$0	\$0
Estimated VITA Infrastructure	\$413,652	\$82,162	\$419,857	\$83,394
Specialized Infrastructure	\$0	\$0	\$0	\$0
Agency IT Staff	\$0	\$0	\$0	\$0
Non-agency IT Staff	\$0	\$0	\$0	\$0
Other Application Costs	\$5,000	\$8,000	\$5,000	\$8,000
Agency IT Current Services	\$418,652	\$90,162	\$424,857	\$91,394

Comments:

[Nothing entered]

• *Proposed IT Investments*

Estimated Costs for Projects and New IT Investments

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Major IT Projects	\$0	\$0	\$0	\$0
Non-major IT Projects	\$0	\$0	\$0	\$0
Agency-level IT Projects	\$0	\$0	\$0	\$0
Major Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Non-major Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Total Proposed IT Investments	\$0	\$0	\$0	\$0

• *Projected Total IT Budget*

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Current IT Services	\$418,652	\$90,162	\$424,857	\$91,394
Proposed IT Investments	\$0	\$0	\$0	\$0
Total	\$418,652	\$90,162	\$424,857	\$91,394

[Appendix A](#) - Agency's information technology investment detail maintained in VITA's ProSight system.

Capital

- *Current State of Capital Investments:*
DHCD has no capital outlay construction or investment programs. The agency does lease office space for the central office and five small regional offices for the SFMO that will relocate in FY 2009.
- *Factors Impacting Capital Investments:*
N/A
- *Capital Investments Alignment:*
N/A

Agency Goals

Goal 1

Revitalize communities in Virginia through strategic investment of technical assistance and financial resources.

Goal Summary and Alignment

Virginia has to continue to implement activities to help make distressed communities more competitive in a rapidly changing global economy. Community development and revitalization covers a broad spectrum of efforts designed to enhance the development of Virginia's most distressed communities and serve low-income residents. Community economic development efforts range from infrastructure support for industrial locations, to downtown revitalization to entrepreneurship. DHCD-administered state incentives are used to encourage businesses to target new jobs and investment in designated distressed areas.

Goal Alignment to Statewide Goals

- Elevate the levels of educational preparedness and attainment of our citizens.
- Be a national leader in the preservation and enhancement of our economy.
- Engage and inform citizens to ensure we serve their interests.

Goal 2

Increase the ability of communities to implement innovative and creative responses to community defined needs.

Goal Summary and Alignment

This goal addresses the need to develop the capacity within communities to enable them to develop innovative and appropriate housing, community and economic development initiatives.

Goal Alignment to Statewide Goals

- Be a national leader in the preservation and enhancement of our economy.
- Engage and inform citizens to ensure we serve their interests.
- Protect, conserve and wisely develop our natural, historical and cultural resources.

Goal 3

Increase the availability and affordability of safe and accessible housing throughout the Commonwealth.

Goal Summary and Alignment

This goal seeks to address the need for comprehensive housing assistance services to the low- and very-low income citizens, as well as the elderly, individuals with mental and physical disabilities and AIDS. DHCD programs create affordable housing for ownership and rental, provide funds for down payment and closing costs, and preserve the housing that serves these populations

Goal Alignment to Statewide Goals

- Be a national leader in the preservation and enhancement of our economy.
- Inspire and support Virginians toward healthy lives and strong and resilient families.

Goal 4

Enhance the health and safety of the built environment in a cost effective manner.

Goal Summary and Alignment

Virginia is one of a limited number of states with a uniform set of building codes applicable statewide. The State Building Code Administrative Office (SBCAO) and the Technical Assistance and Services Office (TASO) focus on the development, interpretation, and application of building regulations applicable to conventional buildings and structures. The SBCAO also concentrates on modular and manufactured structures to ensure a quality and safe product and installation in accordance with the regulations. Emphasizing uniformity in regulatory requirements, compliance, and enforcement through assistance, training, and certification reduces building construction and maintenance costs while ensuring an appropriate level of health and safety in the built environment.

Goal Alignment to Statewide Goals

- Be a national leader in the preservation and enhancement of our economy.
- Protect the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.

Goal 5

Support policy development and research related to significant economic development, inter-governmental relations, community development and housing issues.

Goal Summary and Alignment

State support of regional approaches helps provide better program service delivery and results in more coordinated outcomes. Coordinated regional planning leads to more efficient deployment of limited state and federal financing resources. Regional entities can also provide assistance in linking individual local efforts to maximize results and minimize costs. This goal addresses the need for policies, research and activities that enhance affordable and accessible housing, community and economic development and environmental safety.

Goal Alignment to Statewide Goals

- Be a national leader in the preservation and enhancement of our economy.
- Be recognized as the best-managed state in the nation.
- Protect, conserve and wisely develop our natural, historical and cultural resources.

Goal 6

Use strategic management and model business practices to effectively and efficiently accomplish its mission and deliver services.

Goal Summary and Alignment

This goal informs and guides DHCD's vision to be a well managed agency in fulfilling its mission in an effective and efficient manner.

Goal Alignment to Statewide Goals

- Be a national leader in the preservation and enhancement of our economy.
- Be recognized as the best-managed state in the nation.

Goal 7

We will strengthen the culture of preparedness across state agencies, their employees and customers

Goal Summary and Alignment

This goal ensures compliance with federal and state regulations, policies and procedures for Commonwealth preparedness, as well as guidelines promulgated by the Assistant to the Governor for Commonwealth Preparedness, in collaboration with the Governor's Cabinet, the Commonwealth Preparedness Working Group, the Department of Planning and Budget and the Council on Virginia's Future. The goal supports achievement of the Commonwealth's statewide goal of protecting the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.

Service Area Strategic Plan

Department of Housing & Community Development (165)

3/11/2014 3:27 pm

Biennium: 2008-10

Service Area 1 of 10

Housing Assistance (165 458 01)

Description

This service area administers the Commonwealth's programs seeking to provide safe, accessible, and decent housing opportunities through local for-profit and nonprofit organizations that serve low-income individuals and households with incomes falling below 80% of area median income (AMI), including the elderly and disabled.

Funds are used for grants and loans to increase production of single and multi-family housing targeted at households at or below 80% or AMI, to remove health and safety hazards including lead-based paint, to improve affordability and habitability through energy-efficiency, heating, and plumbing improvements, and to address accessibility needs.

Additionally, this service area addresses the back log of substandard housing in Virginia's rural areas through housing rehabilitation services. One in every seven housing units in the most rural Virginia counties is over 65 years old compared to less than one in ten in the state as a whole. Even when indoor plumbing may exist, older housing is more likely to require rehabilitation, including improvements to major building components and systems, to meet current health and safety standards. Funds will be provided to local and regional organizations for housing rehabilitation. Substandard housing units will be brought up to DHCD's Housing Quality Standard ensuring a decent, safe and sanitary living environment. Program beneficiaries will have household incomes of 80% or less of the area median income.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission
This service area directly aligns with DHCD's mission of working in partnership to make Virginia's communities safe and affordable places in which to live. In addition, an improved housing stock enhances the economic viability of a community.
- Describe the Statutory Authority of this Service
DHCD's primary authority is found within Title 36 of the Code of Virginia.

Chapter 8 provides for the establishment of the Department and sets out the general powers and specific duties of the agency's policy board and its director. This includes the authority to administer various federally-funded housing and community development grant programs, including those administered by the Division of Housing:

- HOME Investment Partnerships (HOME): National Affordable Housing Act, Title II, 1990, as amended;
- Low Income Home Energy Assistance Program (LIHEAP) [allocation from the Department of Social Services]: Community Opportunities, Accountability, and Training and Educational Services Act of 1998, Title III, Sections 301-309;
- Lead Hazard: Housing and Community Development Act of 1992, Title X, Public Law 102-550; Consolidated Appropriations Resolution Act, 2004, Public Law 108-199; and
- Weatherization Assistance Program (WAP): Energy Conservation and Production Act, Title IV, Part A, Public Law 94-385, 42 U.S.C. 6851-6872; Department of Energy Organization Act of 1977, as amended, Public Law 95-91, 42 U.S.C. 7101; National Energy Conservation Policy Act of 1978, Title II, Part 2, Public Law 95-619, 92 Stat. 3206; Energy Security Act of 1980, Title V, Subtitle E, Public Law 96-294; Human Services Reauthorization Act of 1984, Public Law 98-558, 98 Stat. 2888; State Energy Efficiency Programs Improvement Act of 1990, Public Law 101-440.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
	Individuals and families at 130% of poverty (Households)	1,065	420,329
	Low-income disabled individuals and families requiring accessibility improvements (Households)	130	456,368
	Low-income elderly individuals living in housing units that need repairs (Housing Units)	645	648,729
	Low-income households living in units without complete indoor plumbing	175	10,688
	Low-income households with children age 6 or under in units constructed before 1978 (Housing Units)	87	1,619,465

Anticipated Changes To Agency Customer Base
[Nothing entered]

Partners

Partner	Description
[None entered]	

Products and Services

- Factors Impacting the Products and/or Services:
Demolition of deteriorated and obsolete low-income rental units in large metropolitan areas continues to accelerate with expiration of tax credit programs implemented in the mid-80s resulting in shortage in affordable rental housing.
- Growing gap between incomes and housing costs for very-low-income persons as housing costs continue to escalate throughout the Commonwealth.
- Growing numbers of disabled, elderly, and homeless households are creating a higher demand for housing

Total				
Base Budget	\$908,091	\$23,764,481	\$908,091	\$23,764,481
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$908,091	\$23,764,481	\$908,091	\$23,764,481
Base Budget	\$908,091	\$23,764,481	\$908,091	\$23,764,481
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$908,091	\$23,764,481	\$908,091	\$23,764,481
Base Budget	\$908,091	\$23,764,481	\$908,091	\$23,764,481
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$908,091	\$23,764,481	\$908,091	\$23,764,481
Base Budget	\$908,091	\$23,764,481	\$908,091	\$23,764,481
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$908,091	\$23,764,481	\$908,091	\$23,764,481
Base Budget	\$908,091	\$23,764,481	\$908,091	\$23,764,481
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$908,091	\$23,764,481	\$908,091	\$23,764,481
Base Budget	\$908,091	\$23,764,481	\$908,091	\$23,764,481
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$908,091	\$23,764,481	\$908,091	\$23,764,481
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Human Resources

- *Human Resources Overview*
[Nothing entered]

- *Human Resource Levels*

Effective Date	7/1/2008
Total Authorized Position level	18.25
Vacant Positions	2.5
Current Employment Level	15.8
Non-Classified (Filled)	0
Full-Time Classified (Filled)	15.75
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	2
Contract Employees	0
Total Human Resource Level	17.8 = Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*
[Nothing entered]
- *Anticipated HR Changes*

[Nothing entered]

Service Area Objectives

- We will increase the affordability of housing for Virginia's lower-income citizens

Objective Description

The dynamics of the Virginia housing market have increased the housing affordability gap. Lower income citizens face the challenge of increasing housing costs outstripping wage increases. DHCD will partner with other housing assistance providers to reduce the percentage of income spent on housing.

Link to State Strategy

- nothing linked

Objective Measures

- The percentage of Virginia households spending more than 30 percent of their income for housing

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: Calendar year basis. CY 2006 is the latest year available.

Measure Target Value: Date:

Measure Target Description: Less than 30 percent of Virginia households will spend more than 30 percent of their income for housing by the end of CY 2008

Data Source and Calculation: As published by the Bureau of the Census, American Community Survey (there is at least a one year reporting lag)

- We will reduce the number of Virginians living in substandard housing

Objective Description

Despite rapid economic progress, many low-income Virginians are forced to live in substandard housing. Lower income homeowners have limited ability to maintain and improve their existing housing. Substandard housing is prevalent in many Virginia cities and also rural areas. DHCD will work with its many partners to provide safe and decent housing for all Virginians.

Link to State Strategy

- nothing linked

Objective Measures

- The estimated number of homes lacking "complete indoor plumbing facilities" including a bathroom and connection to an approved water and wastewater system

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: Reported on a calendar year basis. CY 2006 is the last year available.

Measure Target Value: Date:

Measure Target Description: Fewer than 10,000 households (estimated) will lack complete indoor plumbing facilities by the end of CY 2008

Data Source and Calculation: As published by the Bureau of the Census, American Community Survey (there is at least a one year reporting lag)

- Improve the quality and increase the affordability of housing options for low-income households, including the elderly and disabled.

Link to State Strategy

- nothing linked

Objective Measures

- Number of households provided with new or improved affordable housing

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: The target is to provide assistance to 3,200 households in FY 09 and 10.

Data Source and Calculation: This measure is calculated on the number of substandard housing units occupied by low-income individuals and families that are repaired, rehabilitated and/or receive energy-efficiency improvements. Information will be gathered through periodic reports to DHCD from nonprofit organizations and local governments that provide the direct services. The number of households served at the end of each fiscal year will be compared to the preceding year.

Service Area Strategic Plan

Department of Housing & Community Development (165)

3/11/2014 3:27 pm

Biennium: 2008-10

Service Area 2 of 10

Homeless Assistance (165 458 04)

Description

This service area administers the Commonwealth's programs seeking to end homelessness in Virginia in partnership with local nonprofit organizations who serve the homeless, those at imminent risk of homelessness and persons with HIV/AIDS.

Funds are used for operational expenses for homeless shelters and transitional housing, support services, temporary rental and mortgage assistance, security deposits, and costs of construction, rehabilitation, acquisition and leasing of facilities for homeless individuals and families, low-income individuals and families at risk of eviction or foreclosure, mentally and/or physically challenged homeless persons, and low-income persons with HIV/AIDS and their families.

This service area also seeks funding for administering state housing and homeless assistance programs.

Background Information

Mission Alignment and Authority

Describe how this service supports the agency mission

By providing safety through shelters, homeless prevention programs and the creation of permanent supportive housing, this service area supports DHCD's mission of working in partnership with local service providers in providing low-income and homeless individuals and families safe and affordable places to live.

Describe the Statutory Authority of this Service

DHCD's primary authority is found within Title 36 of the Code of Virginia.

Chapter 8 provides for the establishment of the Department and sets out the general powers and specific duties of the agency's policy board and its director. This includes the authority to administer various federally-funded housing and community development grant programs, including those administered by the Division of Housing:

- HOME Investment Partnerships (HOME): National Affordable Housing Act, Title II, 1990, as amended;
- Housing for Persons with AIDS (HOPWA): AIDS Housing Opportunity Act, Public Law 101-624;
- Emergency Shelter Grants (ESG): McKinney-Vento Homeless Assistance Act of 1987, Title IV, as amended, 42 U.S.C. 11371-78; and
- Temporary Assistance to Needy Families (TANF) [allocation from the Department of Social Services: Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193; Balanced Budget Act of 1997, Public Law 105-33.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
	Homeless individuals and families (Households)	32,407	42,421
	Low-income individuals and families at risk of homelessness	9,200	12,000

Anticipated Changes To Agency Customer Base

[Nothing entered]

Partners

Partner	Description
[None entered]	

[None entered]

Products and Services

Factors Impacting the Products and/or Services:

As housing costs continue to increase, the availability of low-income individuals and families to find and maintain housing will become more limited, which will cause an increase demand for products and services. A study of the Virginia Tech Center for Housing Research found a deficit of over 92,000 units for households below 30% of Median Family Income in 2000.

Anticipated Changes to the Products and/or Services

Recent studies have indicated that direct access or rapid exit programs for homeless individuals and families are not only cost effective but also result in improved outcomes. DHCD is working with partner agencies to develop funding formulas that incorporate housing first as a primary means of ending homelessness. This change would impact the funding formulas for most of the grant programs currently administered.

- Improved data collection mechanisms are needed to track progress. A statewide reporting system is needed to reduce the incidence of duplicated counts related to the number of homeless and to track the outcomes related to services provided.
- The federal focus on the chronic homeless and housing, rather than services, is shifting resources away from programs serving the broader population of homeless individuals and families.

Listing of Products and/or Services

- Development of grant applications for funding from federal and non-federal sources
- Grants administration for HOME funds used for development of transitional housing, single room occupancy units; Emergency Shelter Grant (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA); State Emergency Shelter Grant for operations(SSG)
- Homelessness Intervention and Prevention (HIP)

Total				
Base Budget	\$7,988,220	\$9,326,544	\$7,988,220	\$9,326,544
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$7,988,220	\$9,326,544	\$7,988,220	\$9,326,544
Base Budget	\$7,988,220	\$9,326,544	\$7,988,220	\$9,326,544
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$7,988,220	\$9,326,544	\$7,988,220	\$9,326,544
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Human Resources

• *Human Resources Overview*

[Nothing entered]

• *Human Resource Levels*

Effective Date	7/1/2008	
Total Authorized Position level	3.65	
Vacant Positions	0	
Current Employment Level	3.7	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	3.65	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	0	
Contract Employees	0	
Total Human Resource Level	3.7	<i>= Current Employment Level + Wage and Contract Employees</i>

• *Factors Impacting HR*

[Nothing entered]

• *Anticipated HR Changes*

[Nothing entered]

Service Area Objectives

- Increase housing to homeless individuals and those at risk of becoming homeless.

Link to State Strategy

- nothing linked

Objective Measures

- Number of homeless households securing permanent housing

Measure Class: Other Measure Type: Outcome Measure Frequency: Annual Preferred Trend: Maintain

Measure Target Value: 4300 Date: 6/30/2010

Measure Target Description: 4,300 households will exit to permanent housing from shelters in FY 2009 & 2010.

Data Source and Calculation: Service providers submit quarterly and annual reports indicating the status of households that leave their programs.

- Number of households averting homelessness

Measure Class: Other Measure Type: Outcome Measure Frequency: Annual Preferred Trend: Maintain

Measure Target Value: 1800 Date: 6/30/2010

Measure Target Description: In FY 2009 & 2010, 1,800 households will avert homelessness through assistance.

Data Source and Calculation: Quarterly and annual reports filed by grantees provide the number of households assisted and the number of households maintaining housing and averting homelessness.

Service Area Strategic Plan

Department of Housing & Community Development (165)

3/11/2014 3:27 pm

Biennium: 2008-10

Service Area 3 of 10

Financial Assistance for Housing Services (165 458 05)

Description

This service area provides funds to local governments that partner with DHCD to administer the Commonwealth's programs seeking to provide safe, accessible and decent housing opportunities through local governments and nonprofit organizations who serve low- income individuals and households with incomes falling below 80% of area median income (AMI), including the elderly and disabled. The primary goals of this service area are the same as found in Service Area Plans 45801 and 45804.

Background Information

Mission Alignment and Authority

- *Describe how this service supports the agency mission*
This service area directly aligns with DHCD's mission of working in partnership to make Virginia's communities safe and affordable places in which to live. In addition, an improved housing stock enhances the economic viability of a community.
- *Describe the Statutory Authority of this Service*
DHCD's primary authority is found within Title 36 of the Code of Virginia.

Chapter 8 provides for the establishment of the Department and sets out the general powers and specific duties of the agency's policy board and its director. This includes the authority to administer various federally-funded housing and community development grant programs, including those administered by the Division of Housing:

- HOME Investment Partnerships (HOME): National Affordable Housing Act, Title II, 1990, as amended;
- Housing for Persons with AIDS (HOPWA): AIDS Housing Opportunity Act, Public Law 101-624;
- Emergency Shelter Grants (ESG): McKinney-Vento Homeless Assistance Act of 1987, Title IV, as amended, 42 U.S.C. 11371-78;
- Temporary Assistance to Needy Families (TANF) [allocation from the Department of Social Services: Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193; Balanced Budget Act of 1997, Public Law 105-33;
- Low Income Home Energy Assistance Program (LIHEAP) [allocation from the Department of Social Services];
- Community Opportunities, Accountability, and Training and Educational Services Act of 1998, Title III, Sections 301-309;
- Lead Hazard: Housing and Community Development Act of 1992, Title X, Public Law 102-550; Consolidated Appropriations Resolution Act, 2004, Public Law 108-199; and
- Weatherization Assistance Program (WAP): Energy Conservation and Production Act, Title IV, Part A, Public Law 94-385, 42 U.S.C. 6851-6872; Department of Energy Organization Act of 1977, as amended, Public Law 95-91, 42 U.S.C. 7101; National Energy Conservation Policy Act of 1978, Title II, Part 2, Public Law 95-619, 92 Stat. 3206; Energy Security Act of 1980, Title V, Subtitle E, Public Law 96-294; Human Services Reauthorization Act of 1984, Public Law 98-558, 98 Stat. 2888; State Energy Efficiency Programs Improvement Act of 1990, Public Law 101-440.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
	Local Governments	17	324

Anticipated Changes To Agency Customer Base
[Nothing entered]

Partners

Partner	Description
[None entered]	

Products and Services

- *Factors Impacting the Products and/or Services:*
Demolition of deteriorated and obsolete low-income rental units in large metropolitan areas continues to accelerate with expiration of tax credit programs implemented in the mid-80s resulting in a shortage in affordable rental housing.
• Growing gap between incomes and housing costs for very-low-income persons as housing costs continue to escalate throughout the Commonwealth.
- *Anticipated Changes to the Products and/or Services*
The demand for services is anticipated to increase due to the aging population. It is unlikely that the current funding levels will be adequate to meet the increased demand.
• As the cost of materials rises, some program activities may become limited due to caps on the amount of funds, particularly federal funds, that may be used in a housing unit.
• The recent decrease in federal support for Community Action Programs, one of DHCD's partners, is expected to have an effect on the number of staff available to provide direct services. This may result in fewer housing units receiving assistance.
• The number of opportunities for voluntary contributions of state tax refunds has increased from 23 for tax year 2000 to 34 for tax year 2005; one of these, Public School Foundations, lists 63 public school foundations that are eligible for contributions. It is anticipated that donations through the Virginia Housing Program will decrease.

Change To Base	\$0	\$0	\$0	\$0
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Service Area Total	\$0	\$3,000,000	\$0	\$3,000,000
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Human Resources

- *Human Resources Overview*
[Nothing entered]

- *Human Resource Levels*

Effective Date	7/1/2008	
Total Authorized Position level	0	
Vacant Positions	0	
Current Employment Level	0.0	
Non-Classified (Filled)	0	
Full-Time Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	0	
Contract Employees	0	
Total Human Resource Level	0.0	<i>= Current Employment Level + Wage and Contract Employees</i>

- *Factors Impacting HR*
[Nothing entered]
- *Anticipated HR Changes*
[Nothing entered]

Service Area Objectives

- Improve the quality of housing units occupied by low-income households, including the elderly and disabled, through funding to local governments.

Link to State Strategy

- nothing linked

Objective Measures

- The number of local governments assisted with housing activities

Measure Class: Other Measure Type: Output Measure Frequency: Annual Preferred Trend: Maintain
 Measure Target Value: 15 Date: 6/30/2010

Measure Target Description: 15 local governments in FY 2009 & 2010

Data Source and Calculation: This measure is calculated based on the number of local governments receiving assistance targeted towards housing needs and issues. Information will be gathered from periodic reports made to DHCD and from fiscal records on financial transactions.

To Base	\$0	\$0	\$0	\$0
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Service Area Total	\$4,540,546	\$1,499,916	\$4,340,546	\$1,459,916
Base Budget	\$4,540,546	\$1,499,916	\$4,340,546	\$1,459,916
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$4,540,546	\$1,499,916	\$4,340,546	\$1,459,916
Base Budget	\$4,540,546	\$1,499,916	\$4,340,546	\$1,459,916
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$4,540,546	\$1,499,916	\$4,340,546	\$1,459,916
Base Budget	\$4,540,546	\$1,499,916	\$4,340,546	\$1,459,916
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$4,540,546	\$1,499,916	\$4,340,546	\$1,459,916
Base Budget	\$4,540,546	\$1,499,916	\$4,340,546	\$1,459,916
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$4,540,546	\$1,499,916	\$4,340,546	\$1,459,916
Base Budget	\$4,540,546	\$1,499,916	\$4,340,546	\$1,459,916
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$4,540,546	\$1,499,916	\$4,340,546	\$1,459,916
Base Budget	\$4,540,546	\$1,499,916	\$4,340,546	\$1,459,916
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$4,540,546	\$1,499,916	\$4,340,546	\$1,459,916
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Human Resources

- *Human Resources Overview*
[Nothing entered]

- *Human Resource Levels*

Effective Date	7/1/2008
Total Authorized Position level	21.7
Vacant Positions	4
Current Employment Level	17.7
Non-Classified (Filled)	0
Full-Time Classified (Filled)	17.7
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	1
Contract Employees	2

breakout of Current Employment Level

Total Human Resource Level = Current Employment Level + Wage and Contract Employees

- **Factors Impacting HR**
[Nothing entered]
- **Anticipated HR Changes**
[Nothing entered]

Service Area Objectives

- We will reduce economic disparity between Virginia's communities

Objective Description

The decline in traditional economic sectors as well as increased international competition has left many regions of the state behind economically. Many urban and rural communities face severe economic distress as they have fallen behind the rapid pace of economic change prevailing in much of the state. While the statewide unemployment rate is one of the lowest in the nation, certain distressed areas have much higher rates than the state average. DHCD has given increased emphasis in its community development programs to providing financial and technical support while working with its partners to assist these localities.

Link to State Strategy

- nothing linked

Objective Measures

- The percentage of Virginia localities that have unemployment rates greater than 150 percent of the state average

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: The measure was reported annually from FY 2000-2006. Quarterly reporting commenced beginning in FY 2007.

Measure Target Value: Date:

Measure Target Description: Less than 20 percent of Virginia localities will have unemployment rates greater than 150 percent of the state average for FY2009 & 2010

Data Source and Calculation: Unemployment data from the Virginia Employment Commission

- Promote greater prosperity for distressed communities and citizens.

Link to State Strategy

- nothing linked

Objective Measures

- Number of new jobs created through community development activities.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: 1,700 New Jobs Created in FY 2009 & 2010

Data Source and Calculation: Reports from local and regional partners and grant recipients

- Amount of new private investment in distressed communities through community development activities.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: \$75 Million in FY 2009 & 10.

Data Source and Calculation: Reports from local and regional partners and grant recipients

Budget	\$3,590,570	\$0	\$3,390,570	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$3,590,570	\$0	\$3,390,570	\$0
Base Budget	\$3,590,570	\$0	\$3,390,570	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$3,590,570	\$0	\$3,390,570	\$0
Base Budget	\$3,590,570	\$0	\$3,390,570	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$3,590,570	\$0	\$3,390,570	\$0
Base Budget	\$3,590,570	\$0	\$3,390,570	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$3,590,570	\$0	\$3,390,570	\$0
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Human Resources

- *Human Resources Overview*

[Nothing entered]

- *Human Resource Levels*

Effective Date	7/1/2008
Total Authorized Position level	0
Vacant Positions	0
Current Employment Level	0.0
Non-Classified (Filled)	0
Full-Time Classified (Filled)	0
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	0
Contract Employees	0
Total Human Resource Level	0.0 = <i>Current Employment Level + Wage and Contract Employees</i>

breakout of Current Employment Level

- *Factors Impacting HR*

[Nothing entered]

- *Anticipated HR Changes*

[Nothing entered]

Service Area Objectives

- Provide technical and financial support to 21 regional Planning District Commissions (PDCs) to help identify and address critical community development needs.

Objective Strategies

- Distribute annual appropriations to all PDCs and monitor their progress in preparing and implementing regional community development strategies and initiatives as outlined under the Regional Cooperation Act
- Continue to maintain working partnerships with all PDCs and assist them in providing technical assistance to communities designed to help them access and effectively use agency resources to meet their critical needs
- Distribute funding to Planning Districts 1,2 and 3 that support the planning efforts of regional infrastructure projects
- Distribute funding to Planning District 14 for regional economic development efforts

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of payments disbursed to Planning District Commissions in a timely and accurate manner.

Measure Target Description: 100% monthly payments to be disbursed in a timely and accurate manner in FY 2009 & 2010

Data Source and Calculation: The first payment is quarterly after the annual reports are received and monthly thereafter.

Service Area Strategic Plan

Department of Housing & Community Development (165)

3/11/2014 3:27 pm

Biennium: 2008-10

Service Area 6 of 10

Financial Assistance for Community Development (165 533 05)

Description

This service area encompasses work programs that are designed to support and enhance local community development and revitalization efforts primarily through financial assistance. It includes both state and federal funding resources. Wide ranges of activities are funded, including infrastructure development, economic development support, downtown revitalization, neighborhood improvements, housing rehabilitation, economic self sufficiency, asset building and community service facilities. Activities are targeted to distressed communities where needs are greatest. These tools will include financial resources available through the Community Development Division. Specific programmatic efforts include the Southwest Virginia Infrastructure Construction Fund, the Regional Infrastructure Planning and Design Fund, the CDBG Program and the ARC Program.

Industry Focused Regional Research and Development Centers such as the Lynchburg Regional Research and Development Center initially funded under Budget Bill HB30/SB30 continues with state funding and growing private sector support from local industries. This project is part of an innovative economic development concept that is using a distributive research model to enhance industrial competitiveness in distressed communities lacking a research university presence.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission
This service area provides resources to help develop safe living environments that are provided with basic infrastructure and services to meet the needs of citizens in distressed areas.
- Describe the Statutory Authority of this Service
Code of Virginia Sections 36-131 through 36-139.7

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
	Local governments	115	248
	Technical assistance recipients	7,500	8,000

Anticipated Changes To Agency Customer Base
[Nothing entered]

Partners

Partner	Description
[None entered]	

Products and Services

- Factors Impacting the Products and/or Services:
"
- Anticipated Changes to the Products and/or Services
[Nothing entered]
- Listing of Products and/or Services
 - Technical assistance on grant implementation
 - Grants to units of local government
 - Grants to nonprofit organizations
 - Grants to Planning District Commissions on behalf of local and regional projects

Finance

- Financial Overview
[Nothing entered]
- Financial Breakdown

	FY 2009		FY 2010		FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund						
Base Budget	\$8,532,014	\$30,927,520	\$7,585,361	\$30,927,520						
Change To Base	\$0	\$0	\$0	\$0						
Service Area Total	\$8,532,014	\$30,927,520	\$7,585,361	\$30,927,520						
Base Budget	\$8,532,014	\$30,927,520	\$7,585,361	\$30,927,520						
Change To Base	\$0	\$0	\$0	\$0						

Service Area Total	\$8,532,014	\$30,927,520	\$7,585,361	\$30,927,520
Base Budget	\$8,532,014	\$30,927,520	\$7,585,361	\$30,927,520
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$8,532,014	\$30,927,520	\$7,585,361	\$30,927,520
Base Budget	\$8,532,014	\$30,927,520	\$7,585,361	\$30,927,520
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$8,532,014	\$30,927,520	\$7,585,361	\$30,927,520
Base Budget	\$8,532,014	\$30,927,520	\$7,585,361	\$30,927,520
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$8,532,014	\$30,927,520	\$7,585,361	\$30,927,520
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Human Resources

- *Human Resources Overview*
[Nothing entered]

- *Human Resource Levels*

Effective Date	7/1/2008
Total Authorized Position level	15.4
Vacant Positions	2.5
Current Employment Level	12.9
Non-Classified (Filled)	0
Full-Time Classified (Filled)	12.9
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	0
Contract Employees	0
Total Human Resource Level	12.9

breakout of Current Employment Level

= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*
[Nothing entered]
- *Anticipated HR Changes*
[Nothing entered]

Service Area Objectives

- Provide targeted funding for infrastructure that will provide new or enhanced water and wastewater treatment for citizens in distressed communities.

Link to State Strategy

- nothing linked

Objective Measures

- Number of households provided with new or improved water/wastewater treatment

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: 1,980 households in FY 2009 & 2010

Data Source and Calculation: Reports from grant recipients

- Provide targeted funding for new and improved housing stock for low- and moderate-income citizens now living in substandard housing through funding to local governments.

Link to State Strategy

- nothing linked

Objective Measures

- The number of local governments assisted with community development activities.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: 120 in FY 2009 and 2010

Data Source and Calculation: Reports from grant recipients

- The number of housing units where complete indoor plumbing was provided

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: Based upon the average production over 4 years.

Measure Target Value: Date:

Measure Target Description: 175 units will be completed each year in FY 2009 & 2010

Data Source and Calculation: Track the number of units from completion reports

Service Area Strategic Plan

Department of Housing & Community Development (165)

3/11/2014 3:27 pm

Biennium: 2008-10

Service Area 7 of 10

Financial Assistance for Economic Development (165 534 10)

Description

This service area includes assistance targeted to businesses and investors in order to encourage new job creation and investment targeted to distressed areas of the Commonwealth. Activities are targeted to distressed communities where needs are greatest. Assistance is provided in the form of grants and tax credits. Specific programmatic efforts include the Enterprise Zone Program.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission
This service area directly supports DHCD's mission to make Virginia's communities prosperous places in which to live, work and do business.
- Describe the Statutory Authority of this Service
Code of Virginia Sections 36-131 through 36-139.7 and Sections 59.1-279 through 59.1-541

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
	Designated Enterprise Zones	57	57
	Distressed communities	25	25

Anticipated Changes To Agency Customer Base
[Nothing entered]

Partners

Partner	Description
	[None entered]

Products and Services

- Factors Impacting the Products and/or Services:
 - Funding availability at the state level
 - Legislative changes impacting the structure of these programs
 - Local capacity to help make businesses aware of these program resources
 - External economic conditions impact businesses' ability and willingness to create new jobs and investment regardless of public sector financial inducements
- Anticipated Changes to the Products and/or Services
[Nothing entered]
- Listing of Products and/or Services
 - Grants to businesses creating new jobs in distressed areas
 - Grants to investors making real property improvements in distressed areas
 - Tax credits to businesses creating jobs in distressed areas
 - Tax credits to investors making real property improvements in distressed areas

Finance

- Financial Overview
[Nothing entered]
- Financial Breakdown

	FY 2009		FY 2010		FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund						
Base Budget	\$15,678,467	\$0	\$15,678,467	\$0						
Change To Base	\$0	\$0	\$0	\$0						
Service Area Total	\$15,678,467	\$0	\$15,678,467	\$0						
Base Budget	\$15,678,467	\$0	\$15,678,467	\$0						
Change To Base	\$0	\$0	\$0	\$0						
Service Area Total	\$15,678,467	\$0	\$15,678,467	\$0						
Base Budget	\$15,678,467	\$0	\$15,678,467	\$0						

Change To Base	\$0	\$0	\$0	\$0
Service Area Total	\$15,678,467	\$0	\$15,678,467	\$0
Base Budget	\$15,678,467	\$0	\$15,678,467	\$0
Change To Base	\$0	\$0	\$0	\$0
Service Area Total	\$15,678,467	\$0	\$15,678,467	\$0

Human Resources

- **Human Resources Overview**

[Nothing entered]

- **Human Resource Levels**

Effective Date	7/1/2008	
Total Authorized Position level	4	
Vacant Positions	0	
Current Employment Level	4.0	
Non-Classified (Filled)	0	
Full-Time Classified (Filled)	4	<i>breakout of Current Employment Level</i>
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	0	
Contract Employees	0	
Total Human Resource Level	4.0	<i>= Current Employment Level + Wage and Contract Employees</i>

- **Factors Impacting HR**

[Nothing entered]

- **Anticipated HR Changes**

[Nothing entered]

Service Area Objectives

- Provide incentives to businesses to stimulate new job creation and private investment in distressed areas.

Link to State Strategy

- nothing linked

Objective Measures

- Number of new jobs created as a result of enterprise zone incentives.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: 2,000 each year in FY 2009 & 2010

Data Source and Calculation: Incentive Applications

- Amount of new private investment in distressed communities as a result of enterprise zone incentives.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: \$200 Million each year in FY 2009 & 2010

Data Source and Calculation: Incentive Applications

Service Area Strategic Plan

Department of Housing & Community Development (165)

3/11/2014 3:27 pm

Biennium: 2008-10

Service Area 8 of 10

State Building Code Administration (165 562 02)

Description

This service area, State Building Code Administration Office (SBCAO) and Technical Assistance and Services Office (TASO), focuses on the development, promulgation, interpretation, and application of building regulations applicable to conventional buildings and structures, as well as to manufactured homes and industrialized or modular buildings.

The SBCAO and TASO cooperatively administer the Statewide Uniform Building Code (USBC), Statewide Fire Prevention Code (SFPC), and related regulations. The Department emphasizes a comprehensive systems approach, incorporating code development and assistance, compliance and enforcement, interpretation and application, and training and certification. DHCD works collaboratively with a diversity of stakeholder organizations representing consumers and manufacturers, building owners and property managers, design professionals and general contractors, professional organizations and trade associations, local governments and state agencies, and members of the manufactured housing and modular building industries. Virginia is also a national leader in the participation and development of the national model codes, with the state regulation amendments adopted by the Board of Housing and Community Development (the Board or BHCD) often piloting the content and intent of the national model code revisions.

This service area under TASO staffs and supports the State Building Code Technical Review Board (Technical Review Board or TRB), a quasi-judicial body, in the deliberation and determination of appeals cases brought forth from the local governmental levels arising from the application and enforcement of the USBC, SFPC, and certain other building-related regulations.

Additionally, this service area, through the Jack A. Proctor Virginia Building Code Academy (JPVBCA) under TASO, provides highly recognized administrative, core, advanced, technical, specialized, and code update training programs concerning the content, intent, interpretation, application, and enforcement of the Uniform Statewide Building Code (USBC), Statewide Fire Prevention Code (SFPC), and other related building and fire safety regulations adopted by the Board. To uniformly enforce the state building and fire regulations, Virginia mandates education, examination, and certification of its code enforcement officials and technical assistants to ensure a high level of knowledge, competency, and professionalism. The funding of programs for training of code enforcement professionals is presently supported by a statewide surcharge of 1.75%, increasing to 2% effective July 01, 2009, levied on all building permits issued by local building departments.

This service area under SBCAO administers and enforces manufactured housing safety regulations, the licensing program, and Transaction Recovery Fund, through regulations adopted by the Manufactured Housing Board (MHB). The SBCAO acts as the state administrative agency for the designated enforcement of federal safety standards, and addresses associated complaints. Relative to the industrialized building safety regulations, this service area under SBCAO also administers the seals program, issuing compliance seals, for industrialized buildings meeting minimum safety standards. The SBCAO periodically conducts inspections of the fabrication facilities of industrialized buildings, manufactured housing, and modular units.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission

The development and uniform enforcement of standardized regulations that achieve an appropriate level of safety at a reasonable level of cost for construction and maintenance provides communities with safe and affordable buildings and structures.

- Describe the Statutory Authority of this Service

DHCD's primary authority is found within Title 36 of the Code of Virginia, whereby Chapter 8 provides for the establishment of the Department and sets out the general powers and specific duties of the agency's policy board and its director and Chapter 6 establishes the Uniform Statewide Building Code (USBC), which provides a single set of prescriptive and performance standards for the regulation of all new building construction, alterations of existing buildings, and building maintenance, excluding agricultural and farm structures throughout the state. The authority for certain fire prevention activities is found in Title 27, whereby Chapter 9 empowers the Board to adopt the Statewide Fire Prevention Code (SFPC) and provides for its enforcement by the State Fire Marshal and by the local code enforcement officials where the local governments so elect. The following further describes the specific authorities relative to this service:

- Code of Virginia §36-70 et seq. Virginia Industrialized Building Safety Law
- Code of Virginia §36-85.2 et seq. Virginia Manufactured Home Construction and Safety Standards Law
- Code of Virginia §36-85.16 et seq. Virginia Manufactured Housing Licensing and Transaction Recovery Fund Law
- Code of Virginia §36-97 et seq. Virginia Uniform Statewide Building Code Law
- Code of Virginia §36-99.01 (C), §36-99-137 (6), (7), §36-139 (14) Virginia Uniform Statewide Building Code Law and §27-97.2 Statewide Fire Prevention Code Law

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
	Building and Fire Jurisdictions	332	332
	Code Enforcement Professionals holding BHCD Certificates	2,819	2,889
	Compliance Assurance Agencies	12	14
	Independent Third-Party Inspection Agents	140	357
	Industrialized Building Manufacturers	116	145
	Manufactured Home Brokers	5	8
	Manufactured Home Manufacturers	41	50
	Manufactured Home Retailers	238	260
	Trade Associations/Organizations	4	4

Anticipated Changes To Agency Customer Base

The numbers of code enforcement personnel, including building officials and their technical assistants, and independent third-party inspectors will fluctuate based upon the current economy trends and the construction industry conditions, either slightly increasing or decreasing, however generally remain within a 2% margin, resulting in an increased new customer base seeking initial certification or a repeat customer base seeking combination or multiple certification that will request staff resources to provide technical and administrative assistance as well as training and certification services.

An increased production and use of manufactured homes and industrialized buildings, and their increased area and complexity, will likely result in increased numbers of customers in those industries as well and a possible increase in requests for assistance and consumer complaints.

Partners

Partner	Description
U.S. Department of Housing and Urban Development (HUD)	Within this service area, the Department has a Cooperative Agreement with HUD, designating the Department as a State Administrative Agency in the HUD manufactured housing program. The Department partners with HUD
Virginia Community College Workforce Alliance	Within this service area, DHCD is partnering with CCWA, a governmental alliance, for development and delivery of the JPVBCA 2006 Code Change Training, a technologically enhanced training program utilizing a combination of simul-cast and web-stream formats transmitted to 13 remote site facilities.
Virginia Department of Professional and Occupational Regulation (DPOR)	Within this service area, DHCD is informally partnering with DPOR, a sister agency, for approval of DHCD instructors and DHCD technical and code update training programs to satisfy DPOR qualifications for instructor proficiency and requirements for continuing education credits.

Products and Services

- *Factors Impacting the Products and/or Services:*

General construction industry conditions based upon current economy trends.

- Numbers of code enforcement personnel, i.e. building officials, technical assistants, and independent third party inspectors requiring products and services.
- Development of technical, advanced, specialized, and regional training curriculum, courses, and programs.
- Development of delivery formats and incorporation of technology and alternate media.
- Implementation of continuing education program for code enforcement personnel and professional development opportunities.

- Continued participation of DHCD staff in the development of the new regulatory provisions and subsequent editions of the International Code Council (ICC) national model building codes.

- Future retirements and departure of key supervisory personnel and senior technical staff and the attraction of their replacements with highly qualified persons having industry knowledge and skills, necessitating a review of the compensation structure.

- *Anticipated Changes to the Products and/or Services*

Numbers of code enforcement personnel, i.e. building officials, technical assistants, and independent third party inspectors requiring products and services.

- New training programs and course offerings implemented by the TASO Training and Certification Unit in parallel with Gubernatorial initiatives, emphasizing energy and sustainability.
- New training delivery formats will be implemented by the TASO Training and Certification Unit in parallel with Gubernatorial initiatives, including an increased incorporation of technology and alternate media.
- Technical and administrative assistance by the SBCAO and TASO staff relative to future editions of the national model codes.
- Development and facilitation of training by the SBCAO and TASO staff and the JPVBCA instructors associated with the adoption and introduction of the 2009 International Code Council's (ICC) national model codes.
- Development and implementation of electronic products and software programs in conjunction with the ICC provision of Smart-Codes and other electronic products.
- Enhancement of on-line registration and application systems and expansion of electronic databases for technical and training assistance.
- Development and implementation of a GIS-based inspection report system.
- Electronic publication to and communication with all clients through the DHCD website and other related links.
- Development and implementation of automated business and fiscal services and systems.

- Future retirements and departure of key supervisory personnel and senior technical staff and the attraction of their replacements with highly qualified persons and an associated review of the compensation structure.

- *Listing of Products and/or Services*

- Uniform Statewide Building Code (USBC). The Department works with the Board of Housing and Community Development (the Board or BHCD) and state and national trade and model code groups to promulgate the USBC and its related codes and regulations. Staff provides technical and administrative assistance regarding the codes to state agencies, design professionals, the construction industry, building owners and managers, and others seeking assistance and information. The State Building Code Technical Review Board provides recommendations to the Board on amendments to the codes and regulations. Other statutory and ad hoc committees provide advice and assistance to the Board and staff on the promulgation and administration of the USBC, Amusement Device Regulations, Certification Standards, and related codes and regulations.
- Industrialized Building Safety Regulations. The Department works with the Board and other involved parties to promulgate and carry out administration of the regulations for industrialized or modular buildings. Industrialized buildings certified under this program are accepted in all jurisdictions as meeting the same code requirements as

the USBC. Based on reviews of their qualifications and personnel, approved Compliance Assurance Agencies conduct plan reviews and inspections to certify that industrialized or modular buildings are in compliance with Virginia codes.

- Manufactured Housing Programs. The programs regulating manufactured housing include investigating and handling manufactured home consumer complaints and other duties as the State Administrative Agency (SAA) under the terms of a Cooperative Agreement with the Department of Housing and Urban Development (HUD) and issuing licenses to manufactured housing manufacturers, brokers, dealers and sales persons and carrying out other administrative activities of the Manufactured Housing Licensing and Transaction Recovery Fund Regulations promulgated by the Manufactured Housing Board.
- Training and Certification Programs. The programs within training and certification include the operation of Jack A. Proctor Virginia Building Code Academy (JPVBCA), developing and providing administrative, core, advanced, technical, and specialized courses mandated for all governmental personnel appointed or delegated to enforce the building and fire regulations and subsequently seeking applicable certification; developing and conducting mandatory statewide code update training for code enforcement personnel and independent third-party inspectors typically based upon a three year cycle; processing and issuing the certifications of code enforcement personnel.
- Building Code Academy Advisory Committee (BCAAC). Staff provides administrative and programmatic support to the committee.
- Amusement Device Technical Advisory Committee (ADTAC). Staff provides administrative and programmatic support to the committee.
- The Virginia Manufactured Housing Board (MHB). The SBCAO staff supports the Manufactured Housing Board responsible for the protection of the industry and consumers of manufactured homes and the hearing of manufactured housing complaints and licensure issues.
- The State Building Code Technical Review Board (Technical Review Board or TRB). The TASO staff supports the Technical Review Board in its quasi-judicial capacity and administrative operations responsible for the deliberation upon and determination of appeal cases regarding the application and enforcement of the codes brought forth from the local governmental levels, the issuance of technical opinions and interpretations resulting from formal inquiries, and the recommendation to the BHCD of amendments to the codes and regulations.

Finance

- *Financial Overview*
[Nothing entered]
- *Financial Breakdown*

	FY 2009		FY 2010		FY 2009	FY 2010	FY 2009	FY 2010
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund				
Base Budget	\$616,557	\$2,483,090	\$616,557	\$2,483,090				
Change To Base	\$0	\$0	\$0	\$0				
Service Area Total	\$616,557	\$2,483,090	\$616,557	\$2,483,090				
Base Budget	\$616,557	\$2,483,090	\$616,557	\$2,483,090				
Change To Base	\$0	\$0	\$0	\$0				
Service Area Total	\$616,557	\$2,483,090	\$616,557	\$2,483,090				
Base Budget	\$616,557	\$2,483,090	\$616,557	\$2,483,090				
Change To Base	\$0	\$0	\$0	\$0				
Service Area Total	\$616,557	\$2,483,090	\$616,557	\$2,483,090				

Human Resources

- *Human Resources Overview*
[Nothing entered]
- *Human Resource Levels*

Effective Date	7/1/2008	
Total Authorized Position level	19	
Vacant Positions	3	
Current Employment Level	16.0	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	16	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	1	
Contract Employees	1	
Total Human Resource Level	18.0	<i>= Current Employment Level + Wage and Contract Employees</i>

- *Factors Impacting HR*
[Nothing entered]

- **Anticipated HR Changes**

The SFMO relocated to the Virginia Department of Fire Programs (DFP) as of July 01, 2008 where they will enforce the SFPC in those governmental localities and jurisdictions not employing a local fire official. DHCD will retain the promulgation responsibilities of the SFPC and will require staff resources, as well as other functions relating to the USBC and SFPC, to remain at DHCD upon the transfer of the SFMO to DFP. The continued communication, a cooperative posture between the agencies, and the provision of continued assistance to DHCD clients, including inspection and plan review functions, will ensure uninterrupted and quality customer services regarding the SFPC during and after the transition.

Service Area Objectives

- Ensure uniformity in the interpretation, application, and enforcement of the state building and fire regulations.

Objective Strategies

- Evaluate the effectiveness of the JPVBCA by ensuring a sufficient number of appropriately and competently trained and certified code enforcement personnel to adequately enforce the building and fire codes and regulations for a safe-built environment.
- Ensure the availability of adequate funding to operate the certification program and to provide mandated training, advanced and specialized training, and continuing education programs to meet the needs and demands of the code enforcement personnel
- Review for the 2006 USBC the need to increase the levy for the permit surcharge to 2% and ensure adequate funding is available to meet the needs for mandated training; for any continuing educational program that might be implemented; and, for training of our private sector clients

Link to State Strategy

- nothing linked

Objective Measures

- Number of code enforcement personnel and independent compliance/inspection agents certified annually
Measure Class: Measure Type: Measure Frequency: Preferred Trend:
Measure Target Value: Date:

Measure Target Description: 846 certifications will be issued each year in FY 2009 & 2010

Data Source and Calculation: Track the number of certifications issued to code enforcement personnel and independent compliance/inspection agents by category (Building Officials, Fire Officials, Property Maintenance Officials, USBC Technical Assistants, SFPC Technical Assistants, and independent compliance/inspection agents) within a fiscal year.

- Number of code enforcement personnel and independent compliance/inspection agents trained annually through the Jack Proctor Virginia Building Code Academy and related specialized programs.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:
Measure Baseline Value: Date:

Measure Baseline Description: 1,154 customers and code enforcers were trained during FY 2006

Measure Target Value: Date:

Measure Target Description: Conduct training programs during FY 2009 & 2010 for at least 1,650 customers

Data Source and Calculation: Compare the numbers of private sector customers and code enforcers trained each year with preceding year.

- Administer the Virginia Manufactured Housing Safety Regulations in an efficient manner.

Objective Strategies

- Provide education and training to the industry and consumers regarding the complaint and dispute resolution processes.
- Review and monitor files monthly to ensure compliance with state and federal regulations.
- Review complaints for common problems for trend analysis.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of manufactured home consumer complaints closed within 180 days of referral to the manufacturer.
Measure Class: Measure Type: Measure Frequency: Preferred Trend:
Measure Target Value: Date:

Measure Target Description: 90% of manufactured home complaints will be closed within 180 days of referral to the manufacturer of all required documentation regarding the complaint in FY 2009 & 2010.

Data Source and Calculation: Complaints are submitted in writing, date-stamped, referred to all appropriate parties, entered on a complaint log and the response and correspondence are maintained in files and followed up until all requirements of state and federal regulations are met. The complaint file is then closed.

Service Area Strategic Plan

Department of Housing & Community Development (165)

3/11/2014 3:27 pm

Biennium: 2008-10

Service Area 9 of 10

Administrative and Support Services (165 599 00)

Description

The purpose of this service area is to provide overall direction and support of all services and programs provided by the other service areas within the agency by: providing a high quality of administrative services and technical support to all agency employees; providing analytical resources needed for the development, implementation and evaluation of agency and administration policies for housing and community development through legislative, regulatory, and administrative processes; providing administrative services and support over all the agency's services related to fiscal operations and financial management, federal grant draws and payments, the reconciliation of agency records to the Department of Account's records, and procurement; providing human resource functions including implementation of policies and directives, recruitment, selection, benefits, classification and compensation, and various other employee programs; providing public relations programs and website functions; and providing computer and information processing activities including the local area network in conjunction with VITA & NG, database development and support for the entire agency located in Richmond and five field offices. All agency administrative functions are directed by this service area.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission
This service area provides direction and support services to the other service areas so that they can work effectively and efficiently with their customers to fulfill the agency's mission.
- Describe the Statutory Authority of this Service
The following sections within Chapter 8 of title 36 are primarily related to the establishment and operation of the Department:
 - 36-133 - Makes the Director responsible for supervising the agency
 - 36-134 - Establishes the general powers of the director to oversee operations, including the power to employ personnel, accept grants and comply with provisions or conditions of grants
 - 36-135 - Establishes the Board of Housing and Community Development
 - 36-136 - Requires Board meetings at least once every three months
 - 36-137 - Establishes the powers and duties of the Board
 - 36.139.4 - Grants permission to enter into interagency and intergovernmental agreements
 - 36.139.6 - Assigns additional powers and duties to the Director

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
	All employees in the other Divisions of the agency, vendors, central agencies, job applicants, conference attendees and calls from customers. The estimated # of potential customers can vary each year.	43,000	60,000

Anticipated Changes To Agency Customer Base
[Nothing entered]

Partners

Partner	Description
	All central agencies of the Commonwealth that DHCD works with in fulfilling administrative functions.

Products and Services

- Factors Impacting the Products and/or Services:
[Nothing entered]
- Anticipated Changes to the Products and/or Services
[Nothing entered]
- Listing of Products and/or Services
 - Overall policy direction, strategic management and accountability of all services and programs provided by the agency: • Preparation of all budget documents • Financial resources management and reporting • Cash management including federal draw downs • Legislative tracking and reporting • Policy research and development • Strategic planning • Continuity of Operations Planning (COOP) • Human resource programs management and reporting • Employee recognition program • Data base development and management • Agency website functions • Public relations programs • Disaster recovery coordination • Property and lease management

Finance

- Financial Overview
The primary source of funding is from the general fund. Nongeneral funds from the indirect cost recovery program are utilized to fund some positions and for technology services including database development.
- Financial Breakdown

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	FY 2009		FY 2010		FY 2009	FY 2010
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund		
Base Budget	\$2,322,707	\$511,513	\$2,322,707	\$511,513		
Change To Base	\$0	\$0	\$0	\$0		
Service Area Total	\$2,322,707	\$511,513	\$2,322,707	\$511,513		
Base Budget	\$2,322,707	\$511,513	\$2,322,707	\$511,513		
Change To Base	\$0	\$0	\$0	\$0		
Service Area Total	\$2,322,707	\$511,513	\$2,322,707	\$511,513		

Human Resources

- *Human Resources Overview*
[Nothing entered]

- *Human Resource Levels*

Effective Date	7/1/2008	
Total Authorized Position level	24.25	
Vacant Positions	1	
Current Employment Level	23.3	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	23.25	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	1	
Contract Employees	0	
Total Human Resource Level	24.3	<i>= Current Employment Level + Wage and Contract Employees</i>

- *Factors Impacting HR*
Please see this section in the Agency's Strategic Plan.
- *Anticipated HR Changes*
Please see this section in the Agency's Strategic Plan.

Service Area Objectives

- To ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements.

Link to State Strategy

- nothing linked

Objective Measures

- Percent of scorecard categories marked as "meets expectations" for DHCD

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: 100% in FY 2009 & 2010

Data Source and Calculation: External audit reports which count and list the number of written findings and other Governor Scorecard categories

- We will be prepared to act in the interest of the citizens of the commonwealth and its infrastructure during emergency situations by actively planning and training both as an agency and as individuals

Alignment to Agency Goals

- Agency Goal: Enhance the health and safety of the built environment in a cost effective manner.

Objective Strategies

- The agency Emergency Coordination Officer will stay in continuous communication with the Office of Commonwealth Preparedness and the Virginia Department of Emergency Management

Link to State Strategy

- nothing linked

Objective Measures

- Agency Continuity of Operations Plan (COOP) Assessment Score

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 2007 COOP Assessment Results (% out of 100)

Measure Target Description: Minimum of 75% or, if at 75%, increase the average by 5% each year

Data Source and Calculation: The COOP Assessment Review is a 24 component assessment tool that helps measure the viability of a COOP plan

Service Area Strategic Plan

Department of Housing & Community Development (165)

3/11/2014 3:27 pm

Biennium: 2008-10

Service Area 10 of 10

Intergovernmental Relations (165 701 01)

Description

The Commission on Local Government's activities are focused in five principal areas: (a) reviews and assists the resolution of proposed boundary change and governmental transition issues as well as inter-local agreements that settle such actions; (b) analyzes and reports on the comparative fiscal condition of Virginia's counties and cities; (c) examines proposed state legislation for its fiscal impact on the Commonwealth's local governments; (d) oversees the assessment of and catalogs all state and federal mandates imposed on Virginia localities; and (e) collects data and publishes an annual report on local government utilization of cash proffers.

Background Information

Mission Alignment and Authority

• *Describe how this service supports the agency mission*

The activities of the Commission on Local Government can have a positive impact on the agency's mission to make Virginia's communities prosperous places in which to live, work, and do business. For example, the analysis of annexation and related inter-local issues can result in municipalities increasing their resources and land for development, which can facilitate the economic growth of their area in general.

• *Describe the Statutory Authority of this Service*

Section 15.2-2907, Code of Virginia requires the Commission on Local Government to critically review all initiatives by local governing bodies or by citizen petition regarding annexation, annexation immunity, transition, and consolidations establishing new cities before they can be presented to the courts for resolution. The Commission is required to submit a written report analyzing each inter-local issue based upon prescribed statutory factors and recommending the appropriate disposition of the issue.

• Section 15.2-3231--15.2-3235, Code of Virginia requires the Commission to review all proposed agreements which would permit a town to annex areas in a county merely by the adoption of a municipal ordinance. In instances in which a town is unable to negotiate such an agreement with its county, the Commission is empowered by law to enter an order granting the town such authority.

• Section 15.2-3601, Code of Virginia authorizes the special three-judge court to request the Commission to review citizen petitions for the incorporation of a new town.

• Section 15.2-3109, Code of Virginia requires the Commission to review petitions submitted by local governments to a court requesting a minor adjustment in jurisdictional boundaries for the improvement of the delivery of services.

• Section 15.2-3400, Code of Virginia requires the Commission to review proposed inter-local agreements involving long-term commitments by local governments relative to the settlement of annexation, annexation immunity, and other inter-local boundary change and transition issues before they can be presented to the courts for final resolution.

• Section 15.2-1301, Code of Virginia requires the Commission to review proposed inter-local economic growth-sharing agreements negotiated outside the context of boundary change or transition issues and to submit an advisory report to the participating local governments before they can be adopted by the localities.

• Section 15.2-2907 (E), Code of Virginia requires the Commission to assist local governments, upon their request, by mediating the negotiation of settlements to annexation and related issues.

• Section 30-19.03, 30-19.03:1 and 30-19.03:1.1, Code of Virginia requires the Commission to prepare fiscal impact estimates on each bill introduced before the General Assembly which would mandate a net additional expenditure by any county, city, or town or which would result in a net reduction of revenues for local governments.

• In 1985 the Joint Legislative Audit and Review Commission requested the Commission to assume responsibility for calculating and publishing annually a report analyzing the comparative fiscal condition of Virginia's counties and cities. Subsequent to that date, a number of statutes have been enacted and budget language adopted which direct various agencies to utilize the Commission's data in their distribution of certain State financial assistance to localities.

• Section 15.2-2903 (7), Code of Virginia requires the Commission to prepare and annually update a catalog of all State and federal mandates imposed on Virginia's localities and to include, where available, a summary of the fiscal impact of all new mandates.

• Section 15.2-2903 (6), Code of Virginia requires the Commission to establish a schedule, subject to the approval of the Governor and the Secretary of Commerce and Trade, by which the executive agencies of the Commonwealth will critically assess the mandates on local governments which they administer. In addition, Executive Order 58 (2007) governs the assessment of mandates by state executive agencies.

• Section 15.2-2303.2, Code of Virginia requires the Commission to collect the information necessary and to prepare and annually update a report on local government revenues and expenditures resulting from the acceptance of cash proffers.

• Section 15.2-2403.1, Code of Virginia provides that, in the event of a disagreement between the Commonwealth Transportation Board and the governing body of an urban county in regard to the boundaries of an urban transportation service district, the parties may request that the Commission on Local Government serve as a mediator.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
	General Assembly Members	140	140

Governor's Administration	25	40
Local Government	175	324
Public Interest Groups and Citizens given information about: boundary change and local governmental transitions; comparative fiscal stress of Virginia's localities; state and federal mandates on localities; and intergovernmental issues in general.	50,000	100,000
Three-Judge Courts	3	45

Anticipated Changes To Agency Customer Base
[Nothing entered]

Partners

Partner	Description
[None entered]	

Products and Services

• *Factors Impacting the Products and/or Services:*

The Commission has no control over its agenda with respect to inter-local issues and it is required to accept cases as they are presented to it and to complete its review of those cases within statutorily prescribed time frames.

- Virginia law governing annexation, local government transitions, and consolidations is extremely complex and requires an extraordinary amount of time to inform local government officials, the media and the public regarding the legal processes and their ramifications.

- Some of the principal data utilized by the Commission is generated by other state agencies, institutions of higher education and local governments, and delays and errors in the production of such data can affect the completion of Commission projects.

• *Anticipated Changes to the Products and/or Services*

The inter-local issues which are reviewed by the Commission are volatile and politically sensitive and disaffection with Commission findings and recommendations could lead to hostile political reactions.

- While it has become increasingly difficult to recruit cities and counties to analyze proposed legislation as to its fiscal impact, the Commission anticipates that the new interactive website developed to assist with the assessment and cataloging of mandates may also be used to simplify the process by which localities provide fiscal impact data on proposed legislation, thereby increasing their participation in the process.

• *Listing of Products and/or Services*

- Advisory reports on local boundary change and governmental transition issues and agreements (annexation, consolidation, transition, etc.) for localities and the courts
- Annual report analyzing the comparative revenue capacity, revenue effort, and fiscal stress of counties and cities
- Periodic reports analyzing changes in the revenue and expenditure profile of Virginia's cities and counties
- Annual catalog of state and federal mandates imposed on Virginia localities
- Fiscal impact estimates on proposed legislation mandating additional net expenditures or the net reduction of revenues by localities
- Annual report on local government revenues and expenditures resulting from the acceptance of cash proffers
- Oversight of the executive agency assessment of state and federal mandates on localities, including maintenance of a secure, interactive website to encourage input from local governments
- Technical assistance to localities, citizens and state agencies regarding local governmental boundary change and transition issues as well as alternative approaches to inter-local concerns in general
- Identification and development of mediation resources for use by localities in the resolution of inter-local issues
- Oral presentations, information and reference materials to public interest groups and the general public regarding inter-local and state-local issues within the scope of the agency's responsibilities
- Monitoring and analysis of legislation during sessions of the General Assembly
- Research assistance to legislative study committees
- Duties relating to the oversight of Virginia's planning district commissions

Finance

• *Financial Overview*

[Nothing entered]

• *Financial Breakdown*

	FY 2009		FY 2010	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$363,966	\$0	\$363,966	\$0
Change To Base	\$0	\$0	\$0	\$0
Service Area Total	\$363,966	\$0	\$363,966	\$0

Human Resources

• *Human Resources Overview*

The Commission on Local Government is a five-member collegial body that is appointed by the Governor and confirmed by the General Assembly. Members of the Commission are required to be qualified by their knowledge and experience in local government, and they may hold no other elective or appointive public office while serving on the Commission. Support for the responsibilities of the Commission is provided by three full-time employees assigned to

the Commission and one full-time employee shared by the Commission and the Division of Administration.

• *Human Resource Levels*

Effective Date	7/1/2008	
Total Authorized Position level	3.75	
Vacant Positions	0	
Current Employment Level	3.8	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	3.75	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	0	
Contract Employees	0	
Total Human Resource Level	3.8	<i>= Current Employment Level + Wage and Contract Employees</i>

• *Factors Impacting HR*

[Nothing entered]

• *Anticipated HR Changes*

[Nothing entered]

Service Area Objectives

- Assist local governments, citizens and state officials in understanding the legal processes and general ramifications of local boundary change and governmental transition issues.

Objective Strategies

- Using various means to encourage the parties to enter into mediation or negotiations concerning the issues.
- Identification and training of mediation resources for the parties to use.
- Offering financial assistance to support mediation if resources are available.

Link to State Strategy

- nothing linked

Objective Measures

- Number of localities and other clients requesting information or other assistance on local boundary change and governmental transition issues.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: 150 contacts each year for FY 2009 & 2010

Data Source and Calculation: Measure Source: Commission on Local Government local assistance form will record name of requesting entity and date of fulfillment of request. Copies of all e-mail responses to requests for assistance will be maintained in a local assistance file and used in calculation of the measure. Further, DHCD staff is working to ensure that the Web trends report ranking downloads of documents from Commission's website can be used in calculation of this measure. Calculation method: tracking contact and compiling totals