

2014-16 Strategic Plan

Department of Housing and Community Development [165]

Mission

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

Vision

To build better communities through collaboration, communication and innovation.

Values

Customer Prioritization: Give priority to projects that have the strongest and most direct link to meeting the needs of low- and moderate-income customers where DHCD provides gap financing

Maximize Collaboration: Maximize collaborations within the agency and foster partnership opportunities with other federal, state and local agencies, governments and communities.

Diversity: Value both a diverse community and workforce.

Employee Recognition: Recognize our employees as our most important resource, and provide incentives and rewards to employees who consistently develop and apply new knowledge, skills and abilities.

Professional Development: Promote professional growth for our staff members and partners through training and education opportunities that will increase our ability to better serve Virginia's communities.

Professionalism: Provide services in a manner that embodies responsiveness, friendliness, delivery on commitment, timeliness, reliability and professionalism.

Optimize Technology: Optimize the use of technology to enhance the effectiveness and efficiency of the agency in accomplishing its mission.

Value Input: Value input and responses from communities and customers when designing and evaluating programs and services.

Customer Service: Strive to provide a high level of customer service and satisfaction for both internal and external customers.

Finance

Financial Overview

DHCD's funding comes from federal trust funds (83.5%), the state's general fund (15.2%), special funds (1.1%) and dedicated special revenue (0.2%) in FY 2015 and FY 2016. This includes approximately \$172.3 million in federal housing assistance (representing three-quarters of all federal funding included within the appropriation) to be paid each year to low-income housing providers through Performance Based Contract Administration (PBCA) funding that DHCD anticipated administering as the result of the award of a contract with the federal Department of Housing and Urban Development (HUD). However, as a consequence of recent litigation in the federal courts addressing its administrative procedures, HUD has receded from making new contract awards for this program. Thus, the date when or even if these funds would ever become available is uncertain.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	41,082,524	229,724,719	41,065,971	229,724,719
Changes to Initial Appropriation	2,869,547	-172,277,106	5,095,489	0

(Changes to Initial Appropriation will be 0 when the plan is created. They will change when the plan is updated mid-biennium.)

Customers

Anticipated Changes to Customer Base

The general categories of customers associated with DHCD's various service areas are not expected to change significantly during the biennium. Local and regional government structures are generally stable and, with the very limited exception of the possibility of one or more localities

considering options such as reversion to town status or consolidation with an underlying jurisdiction, are not expected to change. The continued growth of the state's overall population and the ongoing aging of that overall population could increase the number of persons potentially requiring assistance in obtaining affordable and accessible housing.

Current Customer List

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Consumer	Public Interest Groups and Citizens given information about: boundary change and local government, technical information related to building codes, manufactured housing and industrialized buildings	50,000	100,000	Stable
Contract Employee	Independent Third-Party Inspection Agents	635	655	Increase
Employer/ Business Owner	Designated Enterprise Zones	57	57	Stable
Employer/ Business Owner	Industrialized Building Manufacturers	132	135	Stable
Employer/ Business Owner	Internal Customers. Vendors, Central Agencies, Job Applicants, Conference Attendees	43,000	60,000	Increase
Employer/ Business Owner	Manufactured Home Brokers	11	15	Stable
Employer/ Business Owner	Manufactured Home Manufacturers	32	40	Stable
Employer/ Business Owner	Manufactured Home Retailers	163	190	Stable
Employee	Manufactured Home Salespersons	537	600	Stable
General Assembly	General Assembly Members	140	140	Stable
Governor	Governor's Administration	25	40	Stable
Local Government Employee	Code Enforcement Professionals holding BHCD Certificates	4,000	5,250	Increase
Local or Regional Government Authorities	Building and Fire Jurisdictions	324	324	Stable
Local or Regional Government Authorities	Compliance Assurance Agencies	15	35	Stable
Local or Regional Government Authorities	Distressed communities	36	36	Stable
Local or Regional Government Authorities	Local Government	175	324	Stable
Local or Regional Government Authorities	Technical Assistance Recipients	8,000	8,400	Stable
Low-Income	Homeless individuals and families (Households)	14,389	22,572	Increase
Low-Income	Individuals and families at 125% of poverty (Households)	3,000	473,750	Increase
Low-Income	Low-income disabled individuals and families requiring accessibility improvements (Households)	320	859,088	Stable
Low-Income	Low-income elderly individuals living in housing units that need repairs (Housing Units)	30	159,681	Stable
Low-Income	Low-income households living in units without complete indoor plumbing	175	13,400	Decrease
Low-Income	Low-income individuals and families at risk of homelessness	2,279	159,681	Stable
Non-Profit Agency (Boards/Foundation),	Nonprofit Organizations	75	75	Stable
Organization	Continuum of Care Organizations, local planning groups and Community Housing Development Organizations (CHDOs)	50	50	Stable

Organization	Major Trade Associations/Organizations	45	45	Stable
Organization	Planning Districts	21	21	Stable
State Agency(s),	Three-Judge Courts	8	45	Stable
Resident	Virginia Homeowners	250	2,038,207	Increase

Partners

Name	Description
All central agencies of the Commonwealth that DHCD works with in fulfilling administrative functions.	
Appalachian Regional Commission	Within service areas 53301 and 53305, the Department serves as the responsible agency for ARC program administration, helping to promote economic development and job creation opportunities in eligible localities within the Appalachian Region of Virginia.
U.S. Department of Housing and Urban Development (HUD)	Within service area 56202, the Department has a Cooperative Agreement with HUD, designating the DHCD as a State Administrative Agency in the HUD manufactured housing program. Within service areas 45801, 45804, 45805, 53301 and 53305, the Department partners with HUD to distribute Community Development Block Grants, HOME, HOPWA and ESG funding to qualifying housing and community development projects within the Commonwealth.
Tobacco Indemnification and Community Revitalization Commission (TIC)	Within service areas 53301 and 53305, the Department has partnered with TIC to promote economic growth and development in the tobacco-dependent communities of Virginia.
Community Action Programs (CAPs)	Serve as local agents for the delivery of housing and other DHCD program services
Virginia Housing Development Authority (VHDA)	The Department has partnered with VHDA to address housing and community development needs throughout the state and to provide training and matching funds for individual development account savers for use for homeownership, entrepreneurship, and education.
USDA-Rural Development	Within community development service areas, the Department has partnered with USDA to provide adequate and safe infrastructure to support the community facility needs of communities within the Commonwealth.
Virginia Coalition to End Homelessness (VCEH)	Within service areas 45801 and 45804, the Department works in partnership with VCEH and the National Alliance to End Homelessness to implement strategies of the Reducing Family Homelessness in Virginia initiative funded through the Freddie Mac Foundation. The Department also works closely with VCEH as a part of the Homeless Outcomes Coordinating Council.
Virginia Community College Workforce Alliance (CWA)	Within service area 56202, DHCD partnered with CCWA, a governmental alliance, for development of energy conservation code training programs of the Jack Procter Virginia Building Code Academy (JPVBCA)
Virginia Cooperative Extension	Within community and economic development service areas, the Department has partnered with Cooperative Extension offices to help assess, identify, and promote agri-business and agri-tourism opportunities in various regions within the Commonwealth.
Virginia Department of Human Resources (DHRM)	Within service area 56202, DHCD partnered with DHRM to support the establishment and utilization of training programs of the JPVBCA via a dedicated internet domain of the statewide learning management system, the Virginia Knowledge Center.
Virginia Department of Mines, Mineral and Energy (DMME)	Within service area 56202, DHCD partnered with DMME to administer a state ARRA contract with DHCD, to develop and deliver energy conservation code training and certification programs to local governmental code enforcement professionals and interested industry representatives and to assess energy code compliance levels statewide.
Virginia Department of Professional and Occupational Regulation (DPOR)	Within service area 56202, DHCD partnered with DPOR 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.
Virginia Economic Development Partnership (VEDP)	DHCD has partnered with VEDP to create local community environments with the capacity to promote and foster business attraction and retention.
Virginia Housing Coalition (VHC)	DHCD has partnered with VHC to promote and provide affordable housing options in Virginia.
Virginia Tourism Corporation (VTC)	Within service area 53305, DHCD partnered with VTC to promote a community's and/or region's unique assets to promote economic development opportunities.
Virginia Department of Historic Resources (DHR)	The Department has partnered with DHR to promote education and preservation of Virginia's historic resources through Community Development projects.

Virginia Department of Agriculture and Consumer Services (VDACS)	The Department has partnered with VDACS to help assess, identify, and promote agri-business and agri-tourism opportunities in various regions of the Commonwealth.
Virginia Community Capital (VCC)	The Department has partnered with VCC to address housing and community development needs and to further economic development opportunities throughout the state.
Virginia Association of Planning District Commissions (VAPDCS)	DHCD partnered with PDCs in various regions of the state to help identify, develop, and support local housing and community development needs. The PDCs also play integral roles in the administration of various grants offered through DHCD.
Virginia Business Incubation Association (VBIA)	Within service area 53305, DHCD partnered with VBIA to accelerate the incubation and creation of community-based small businesses.
Virginia Community Economic Network (VCEN)	Within service area 53305, DHCD partnered with VCEN to advance and support small business and entrepreneurship approaches to community and economic development.
Virginia Department of Environmental Quality (DEQ)	Within service areas 53301 and 53305, the Department has partnered with DEQ to provide adequate and safe infrastructure to support the community facility needs of communities within the Commonwealth.
Homeless Outcomes Coordinating Council (HOCC)	As part of its activities within service area 45804, DHCD serves as a member of this entity, charged with the task of realizing efficiencies through enhanced coordination
National Alliance to End Homelessness	Within service areas 45801 and 45804, the Department works in partnership with the Alliance and VCEH to implement strategies of the Reducing Family Homelessness in Virginia initiative funded through the Freddie Mac Foundation.
Virginia Department of Social Services (DSS)	Within service area 53301, the Department has partnered with DSS to provide training and matching funds for individual development account savers for use for homeownership, entrepreneurship, and education. Within service areas 45801, 45804 and 45805, DHCD partners with the DSS to implement the LIHEAP Weatherization program as well as the Child Care for Homeless Children Program.
Virginia Department of Health (VDH)	Within service area 53305, DHCD has partnered with VDH to provide adequate and safe drinking water infrastructure to support the community facility needs of communities within the state.
Association of Enterprise Opportunity (AEO)	Within service areas 53301 and 53305, DHCD partnered with AEO as a source of technical assistance and training on best practices in micro-enterprise lending.
U.S. Department of Energy (DOE)	Within service area 45801, DHCD serves as the state grantee for annual grant funds to deliver the Weatherization Assistance Program.

Agency Goals

• Revitalize communities through the strategic investment of resources

Summary and Alignment

Virginia must continue to implement activities to help make distressed communities more competitive in a rapidly changing global economy. Community development and revitalization spans the full 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 encouraging entrepreneurship and small business development. DHCD-administered state incentives are used to encourage businesses to target new jobs and investment in designated distressed areas.

Associated State Goal

Economy: Be a national leader in the preservation and enhancement of our economy.

Associated Societal Indicator

Employment Growth

Objectives

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

Description

DHCD community economic development efforts range from infrastructure support for industrial locations, to downtown revitalization to entrepreneurship. DHCD-administered state incentives encourage businesses to target new jobs and investment in designated distressed areas.

Objective Strategies

- Select areas eligible for designation as enterprise zones through a competitive process based on an evaluation of community need and locally developed program design features.

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

» **Provide targeted funding for infrastructure that will provide new or enhanced water supply, wastewater treatment and broadband access options for citizens in distressed communities.**

Description

Adequate infrastructure is critical to the health, safety and economic vitality of Virginia's communities. DHCD exerts tremendous effort to partner local, state, and federal organizations to address the needs of Virginia households lacking access to clean and safe drinking water, that do not have proper facilities for the safe disposal of wastewater or that lack access to essential communications facilities such as broadband. DHCD also has worked closely with localities to conduct extensive research into communities that are lacking such infrastructure to identify the extent of need, develop potential solutions to those needs, and prioritize planning and construction projects to address them.

Objective Strategies

- Make a portion of Community Development Block Grant (CDBG) funding available to Self-Help infrastructure projects enabling communities to provide water/wastewater infrastructure in areas where conventional construction costs would be prohibitive.
- Use CDBG and other available resources to support planning, technical assistance and infrastructure development related to enhanced telecommunication facilities serving economically distressed communities.

Measures

- ◆ Number of households provided with new or improved water/wastewater treatment
- ◆ Number of local governments assisted with community development activities.

» **Reduce economic disparity between Virginia's communities**

Description

The decline in traditional economic sectors and increased international competition have left behind the economies of many regions of the state. 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 significantly exceed 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.

Objective Strategies

- Encourage the creation of broad based partnerships to promote regional economic collaboration in economically distressed areas, stimulating job creation, small business creation and entrepreneurship, economic development, community capacity building and leadership.

Measures

- ◆ Dollar Cost of Jobs Created

» **Promote greater prosperity for distressed communities and their citizens.**

Description

The economic circumstances of many regions of the state have lagged behind the rapid pace of economic growth and change that has characterized much of the state in recent years. Some distressed areas have levels of poverty and/or unemployment exceeding the state average as well as median incomes well below the state average. DHCD has structured its community development programs to address the availability of financial and technical support to such localities.

Objective Strategies

- Select local economic development projects for funding from Community Development Block Grant (CDBG) and other resources through a competitive process based on an evaluation of community need and locally developed project design features that respond to those needs.
- Promote the creation of regional economic collaborations in economically distressed areas to stimulate job creation, economic development and build the community capacity and leadership needed to overcome conditions inhibiting local economic progress.

Measures

- ◆ Amount of new private investment in distressed communities through community development activities.
- ◆ Number of new jobs created through community development activities.

- **Decrease the incidence of homelessness among various at-risk populations, including veterans.**

Summary and Alignment

This goal addresses the need for specific actions that have succeeded in reducing the number of homeless individuals and families by preventing them from initially falling into homelessness or experiencing a recurrence of homelessness while shortening the time that any remain homeless by quickly transitioning to permanent housing options. The goal encompasses a number of populations, including veterans, whose unique circumstances may present special challenges to combating homelessness.

Associated State Goal

Economy: Be a national leader in the preservation and enhancement of our economy.

Associated Societal Indicator

Poverty

Objectives

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

Description

DHCD collaborates 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) at-risk veterans, (e) individuals with Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) and (f) 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.

Objective Strategies

- Support Continuum of Care (CoC) strategies and homeless service and prevention programs that reduce the number of individuals/households who become homeless; shorten the period an individual or household is homeless; and reduce the number of individuals/households that return to homelessness.

Measures

- ◆ Annual percentage reduction in the number of homeless persons.
- ◆ Number of homeless households securing permanent housing
- ◆ Number of households averting homelessness

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

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 Acquired Immune Deficiency Syndrome (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.

Associated State Goal

Economy: Be a national leader in the preservation and enhancement of our economy.

Associated Societal Indicator

Poverty

Objectives

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

Description

DHCD works closely with local governments and nonprofit partners to undertake the rehabilitation of dilapidated housing in the Commonwealth.

Objective Strategies

[Nothing Entered]

Measures

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

Description

DHCD works closely with local and regional governmental and private sector partners, including nonprofit organizations, to upgrade

existing housing and foster new housing opportunities that increase affordability for low-income households, including the elderly and persons with disabilities in the Commonwealth.

Objective Strategies

- Promote partners increased awareness of and participation in tax credit programs that incentivize affordability and/or accessibility features of existing and new housing units.

Measures

- ◆ Number of households provided with new or improved affordable housing

» 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.

Description

The ability of lower income homeowners to maintain and improve their existing housing is limited. 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. Significant numbers of housing units were constructed in many major Virginia cities prior to the adoption of the Virginia Uniform Statewide Building Code in the early 1970s. Eventually, many of these units will require substantial rehabilitation.

Objective Strategies

[Nothing Entered]

Measures

- ◆ Number of housing units where complete indoor plumbing was provided

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

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.

Associated State Goal

Economy: Be a national leader in the preservation and enhancement of our economy.

Associated Societal Indicator

Poverty

Objectives

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

Description

DHCD works with the 21 Planning District Commissions (PDCs) that are charged with assisting localities to promote economic development. Benefits include greater effectiveness in conducting local government functions and the PDCs provide a wide range of assistance to local governments including funding applications, grants management, economic development coordination and management assistance.

Objective Strategies

- 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 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.
- Distribute funding to Planning District 14 for regional economic development efforts.
- Distribute funding to Planning Districts 1,2 and 3 that support the planning efforts of regional infrastructure projects.
- Provide adequate staffing to implement the Appalachian Regional Commission (ARC) program.

Measures

- **Enhance the health, accessibility, water conservation, energy efficiency, structural and life safety features of the built environment in a cost effective manner.**

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 Office (SBCO) focuses on the development, promulgation, interpretation, and application of building regulations applicable to conventional buildings and structures. The SBCO also concentrates on industrialized, modular, and manufactured structures to ensure the quality and safety of the product and its installation in accordance with the regulations. Emphasizing uniformity in regulatory requirements, compliance, and enforcement saves time for businesses while reducing building construction and maintenance costs and ensuring an appropriate level of health and safety in the built environment for occupants and the general public.

Associated State Goal

Economy: Be a national leader in the preservation and enhancement of our economy.

Associated Societal Indicator

Business Climate

Objectives

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

Description

Maintaining uniformity in the application of the building code across the Commonwealth is a key commerce and trade issue. Safe buildings and communities result from strategic partnerships between citizens, architects, builders, code officials, and trades people.

Objective Strategies

- Ensure the availability of adequate funding to operate the certification program and to provide mandated training, advanced and specialized training, periodic maintenance training and continuing education programs to meet the needs and demands of the code enforcement professionals.
- Evaluate the effectiveness of the Jack A. Proctor Virginia Building Code Academy (JPVBCA) by ensuring a sufficient number of appropriately and competently trained and certified code enforcement professionals to adequately enforce the building and fire codes and regulations for a safe built environment.
- Review the need to increase the levy percentage allowable per law for the permit surcharge and ensure adequate funding is available to meet the needs for mandated training, periodic maintenance training, and continuing education activities in the present and future for the code enforcement professionals; as well as collaborative education of private sector clients.

Measures

- ◆ Number of certifications issued to code enforcement personnel and independent third-party inspection agents.
- ◆ Number of training seats filled annually through the Jack A. Proctor VA Building Code Academy.

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

Description

Efficient administration of the Virginia Manufacture Housing Safety Regulations encourages consistency in the interpretation and application of the regulations by local governmental enforcement agencies. DHCD promulgates the fire prevention and property maintenance codes enforced optionally at the local government level, enabling the assessment of the current conditions and levels of hazard present in existing buildings and structures. These codes seek a reasonable balance between building affordability and safety.

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

Measures

- ◆ Percentage of manufactured home consumer complaints closed within 120 days of referral to the manufacturer.

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

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.

Associated State Goal

Economy: Be a national leader in the preservation and enhancement of our economy.

Associated Societal Indicator

Business Climate

Objectives

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

Description

The Commission on Local Government works with governmental officials, public interest groups and citizens to increase their understanding of: boundary change and local governmental transitions; comparative fiscal stress of Virginia's localities; state and federal mandates on localities; and intergovernmental issues in general.

Objective Strategies

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

Measures

- ♦ Number of localities and other clients requesting information or other assistance on local boundary changes and governmental transition issues and local government fiscal conditions.
- ♦ Total number of reports issued by the Commission on Local Government annually.

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

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.

Associated State Goal

Economy: Be a national leader in the preservation and enhancement of our economy.

Associated Societal Indicator

Business Climate

Objectives

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

Description

DHCD seeks to use strategic management and model business practices to effectively and efficiently accomplish its mission and deliver services.

Objective Strategies

[Nothing Entered]

Measures

Major Products and Services

DHCD's programs and services are often viewed as the "first rungs" on the ladder of economic development in communities across Virginia. DHCD takes a comprehensive and collaborative approach to working with localities to better prepare and position them for economic growth. DHCD community development programs are designed to support and enhance revitalization efforts in Virginia's distressed communities. The assistance being provided is not limited to grant making. Key components of community development include development strategies and technical assistance, design assistance, asset based development, market development and branding, and local capacity building. The ultimate objective of DHCD is to improve the quality of life in Virginia's communities.

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

Programs and services provided through DHCD have a primary focus of improving the quality of life for citizens and communities throughout Virginia. DHCD seeks to enhance community well-being through programs that focus on: (1) comprehensive regional economic development, (2) increased small business and entrepreneurial capacity (3) asset based economic development, and (4) enhanced downtown/commercial revitalization. The agency implements a wide array of economic development strategies aimed at creating new jobs, spurring private investment and improving the overall economic environment.

DHCD works in collaboration with communities throughout the Commonwealth as part of its comprehensive approach to addressing affordable housing needs through: housing production; housing preservation and rehabilitation; accessibility and energy-efficiency improvements; housing counseling, to include efforts to deconcentrate poverty; permanent supportive housing; homeless prevention and special needs housing. The agency also works closely with other partners, from non-profits and community action agencies, advocacy groups, state and federal agencies, developers, and other advisory entities. DHCD places a premium on stakeholder engagement and frequently conducts input sessions to gain feedback on how to work more effectively and efficiently. DHCD actively participates in the Homeless Coordinating Council, a collection of state agencies that meet regularly to discuss policy and develop strategies for creating more community-based housing options for persons with developmental and intellectual disabilities. The Committee is chaired by two Cabinet Secretaries and involves participation from five Secretariats. It includes staff from numerous state agencies, representatives from continua of care and nonprofit providers.

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

Performance Highlights

DHCD works in collaboration with communities throughout the Commonwealth as part of its comprehensive approach to meeting the housing needs of: (1) the homeless; (2) those at risk of becoming homeless; (3) special needs populations; (4) individuals with HIV/AIDS and (5) those that could not otherwise afford decent housing. Each year, more than 30,000 persons are served by programs that prevent homelessness, shelter those who are homeless, move the homeless into permanent housing, offer supportive services to those with special needs including victims of domestic violence and assist low-income citizens in accessing decent, safe and affordable housing. If it were not for these programs, the safety and lives of thousands of individuals and families would be in jeopardy. The demand for housing assistance and homeless prevention and services increased during the recession and continues to remain high.

Despite the increased demand, the agency has been very effective in strategically aligning resources has changed its approach to homeless services programs. In FY 2013, approximately 60 percent of homeless services funding was targeted to rapid re-housing efforts. This is a nationally acclaimed best practice that quickly moves persons experiencing homelessness out of shelters and into permanent housing, with supportive services provided as appropriate. This approach has proven to be more cost efficient and more effective in moving people into stable housing more quickly. For FY 15, overall homelessness in the commonwealth remained fairly stable with a slight decrease. Veteran homelessness decreased by 1.6 percent and the number of families experiencing homelessness increased by 3.5 percent. This follows a significant decline (23%) in homelessness between 2010-2014.

The biennium budget for fiscal years 2015-16 allocated \$4,000,000 in the first year and \$4,000,000 in the second year to fund activities through the Virginia Housing Trust Fund. This follows the 2013-14 biennium budget which allocated \$8,000,000 to create the Virginia Housing Trust Fund. The Trust Fund is flexible, valuable resource which creates and preserves affordable housing and reduces homelessness in the commonwealth. The Fund is key to closing the financial gap for affordable, special needs housing projects, providing housing stabilization for homeless persons, assisting with predevelopment assistance to support long-term housing opportunities for the homeless, and support comprehensive neighborhood revitalization efforts. A study is currently underway to determine a dedicated source for the Trust Fund.

DHCD has also joined with VHDA, and the Departments of Behavioral Health and Developmental Services, Medical Assistance Services, and Aging and Rehabilitative Services to initiate an intensive community engagement collaborative to increase integrated community based housing with supportive services in the communities with the largest number of individuals impacted by the Department of Justice Settlement Agreement. The Housing and Supportive Services initiative is bringing together state partners and numerous local organizations to increase access and availability of integrated and independent housing options for individuals with an intellectual or developmental disability. Efforts are being made to break down policy barriers, align and seek new resources, and create local delivery networks.

For the past decade, DHCD has worked collaboratively with the communities of Southwest Virginia to leverage significant cultural and natural heritage assets for economic growth. The Southwest Virginia Cultural Heritage Foundation, created by the General Assembly and staffed by DHCD, provides leadership and oversight of this initiative. Through efforts such as The Crooked Road music trail, the Round the Mountain artisan organization, the Appalachian Spring outdoor recreation initiative and Heartwood: Southwest Virginia's Gateway the region has experienced a significant increase in tourism visitation and expenditures. In addition to showcasing the regions high quality of life, many of the regions small towns are enjoying a renaissance as revitalization efforts take hold. The Southwest Virginia Cultural Heritage Foundation and its related partners have become a significant economic force within the region.

The Enterprise Zone Program (EZ) continues to be a strong tool for economic development that provides grant incentives to businesses that create jobs and invest in qualifying real property improvements. Both the number of firms qualifying for job creation grants and the number of net new jobs created increased for calendar years 2012 and 2013.

Staffing

Authorized Maximum Employment Level (MEL)	108
Salaried Employees	94
Wage Employees	7
Contracted Employees	2

Key Risk Factors

It is likely that federal program resources will receive cuts in future years. Over the past two years, the Community Development Block Grant (CDBG) program has been cut by more than 21 percent, resulting in almost \$5 million less than in 2010 to invest in Virginia's communities, while the HOME program has been reduced by 48 percent over that same period; additional reductions to both HOME and CDBG are anticipated. As resources become scarcer, funding decisions will become more difficult and there will be an increased focus on leveraging additional funds to complete community projects. Collaboration among State agencies must be increased in order to use our shrinking resources more strategically. On a positive note, recent initiatives by the Commonwealth have allocated funds targeting distressed communities and to support overall community and economic development efforts, and these resources will be extremely beneficial and are hoped to yield significant positive outcomes. State provided funding to continue DHCD's very successful rapid re-housing program, a key component of the Commonwealth's plan to reduce homelessness, has been eliminated, which threatens the agency's ability to continue to attain the outcomes delivered in past years.

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

Management Discussion

General Information About Ongoing Status of Agency

bolster housing, community, and economic development assistance to distressed communities.

Economic Restructuring – DHCD continues to provide technical assistance to communities that are struggling to adapt to the changing economy. Many of the state's rural communities relied on textile production, furniture manufacturing, coal mining, rail and other sectors that no longer sustain them. These communities are not only open to but are excited to pursue new opportunities by embracing, marketing and commodifying their unique and natural assets. These communities have a wide-range of assets (cultural heritage, natural heritage, outdoor recreation, festivals and events, etc.) that are a basis for attracting and supporting new business creation and job growth. This Economic Restructuring process supports efforts to establish a unified vision for future development and growth resulting in stronger and more diverse local economies.

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

Affordable Housing Resources – There is a severe lack of affordable housing options and the need for resources to help address this shortage far exceeds the available resources. Curtailed federal funding has put increased pressure on remaining resources. The Commonwealth has historically focused state general fund support on addressing homelessness and as a result, dramatic reductions have been achieved. More recently, beginning in 2012, the General Assembly appropriated funding to establish the Virginia Housing Trust Fund, further bolstered in 2015 and 2016 with \$4 million in each respective year. DHCD has worked collaboratively with multiple stakeholders, including the Virginia Housing Development Authority, the Virginia Housing Coalition and the Virginia Coalition to End Homelessness to design and implement the Trust Fund. The Fund has been developed to align with the priorities outlined in the Governor's Housing Policy. At least 80 percent of the Trust Fund is to be used for low-interest loans to reduce the cost of homeownership and rental housing, while up to 20 percent may be used to provide grants for targeted efforts to reduce homelessness. To further support affordable housing and homeless reduction the General Assembly provided funding for the development of permanent supportive housing and assistance for rapid rehousing of the homeless. Of the \$1 million designated

for rapid rehousing, \$500,000 is specifically targeted to serve veterans. While the framework has been codified for the Housing Trust Fund it should be noted that a dedicated stream of revenue has not been identified, so future funding is in question.

Information Technology

DHCD is developing and implementing several technology projects that will increase customer access to agency services. The goal is to deliver applications and services that are available to customers of the Commonwealth at any time from any location via a centralized web portal. Systems have been deployed to give customers the ability to purchase manufactured housing licenses and seals. These systems have greatly reduced the turnaround time for customer delivery and have also improved internal staff operating efficiency through streamlined process improvements.

DHCD has also launched CAMS (Centralized Application and Management System) to provide additional customer service improvements and internal efficiencies. CAMS is a web-based portal to improve processes and data quality. CAMS allows DHCD staff to access centralized external customer contact information, review and process various applications and proposals from external customers and automate numerous project management functions such as financial management, reporting and data collection. The system allows DHCD's customers to submit electronically grant applications, reports, reimbursement requests, as well as monitor and manage their local programs using the same management tools as DHCD staff. CAMS has allowed DHCD to service its customers and stakeholders faster, with a higher quality of service and unparalleled governance of state and federal funds. The system, for the first time, links programs and services across all four Divisions within the Agency. Additional functionality improvements are planned and ongoing that will further upgrade both the user experience and the agency's internal processes.

Upgrades to existing systems are either underway or in planning stages for deployment in the near future. The training and certification web system is undergoing a framework upgrade to let the agency deploy user enhancements that will provide a more streamlined process for both the external customer and internal staff. New systems for the Human Resources unit, the Division of Building and Fire Regulation and the Commission on Local Government are also planned. A complete server operating system upgrade is also underway in order to meet end of life requirements set by VITA and to increase scalability and performance of those servers. A move from traditional file server architecture to a VITA enterprise solution is also currently underway. This will allow the agency to decommission a server and increase the cost effectiveness of its IT operations.

Estimate of Technology Funding Needs

Workforce Development

Twelve percent (12%) of DHCD employees are eligible to retire immediately and 26 percent are eligible to retire in the next five years. The obvious impact will be the loss of experience, specialized skills, and institutional knowledge. The need for effective succession planning will increase in the next several years as many of the agency's long term employees retire.

Although the agency has a mechanism for the retention of employees based on recognition rewards, human resources and agency management will need to evaluate other ways to retain employees--especially with over four generations active in the workforce at DHCD each with different needs and motivations. Supporting teleworking and alternative work schedules has become increasingly important for the agency. Actively participating in professional organizations, obtaining and maintaining professional certifications are key factors for retaining those employees who want to excel and demonstrate their knowledge for upward mobility. Supporting these efforts is important to the agency's success in addressing new and emerging issues since 71% of the agency employees are over the age of 40.

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

Physical Plant

DHCD has offices located in downtown Richmond and Abingdon, Virginia. In Richmond, the agency leases approximately 26,028 square feet in the Main Street Centre from the Virginia Department of General Services. Currently, ninety-one (91) DHCD employees have assigned offices in the Main Street Centre. This facility also provides meeting space that enables DHCD to convene meetings with our boards, customers and agency stakeholders.

The DHCD regional office located approximately 300 miles from Richmond in Abingdon helps the agency to provide better outreach and services to the citizens of Southern and Southwest Virginia. DHCD leases 1,160 square feet from a private property owner for a regional office located in Abingdon. Currently, five (5) DHCD employees work in our Abingdon field office for the Program Administration and Assistance Office (PAAO) within the Division of Community Development.

Supporting Documents

Title	File Type
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Housing Assistance [45801]

Description of this Program / Service Area

The Department of Housing and Community Development (DHCD) administers programs through this service area that seek to provide safe, accessible, and decent housing opportunities. These funds are provided to local governments and nonprofit organizations that serve low-income individuals and households including the elderly and persons with disabilities.

The Virginia Housing Trust Fund is intended to create and preserve affordable housing and to reduce homelessness in the commonwealth. The biennium budget for fiscal years 2015-16 allocated \$4,000,000 in the first year and \$4,000,000 in the second year to fund activities through the Virginia Housing Trust Fund. This follows the 2013-14 biennium budget, which allocated \$8,000,000 to create the Virginia Housing Trust Fund. DHCD worked collaboratively with the Virginia Housing Development Authority (VHDA), the Virginia Housing Coalition and the Virginia Coalition to End Homelessness to gather input regarding the program design of this newly created trust fund. The entities charged with administering the Virginia Housing Trust Fund—DHCD and the Virginia Housing Development Authority (VHDA)—have extensive experience in implementing the activities needed to carry out the provisions of the Fund.

At least 80 percent of the Fund is to be used for low-interest loans to reduce the cost of homeownership and rental housing, and up to 20 percent of the Fund may be used to provide grants for targeted efforts to reduce homelessness. For the 2015-16 program design, funds through the broad categories. Approximately \$5.5 million is targeted for the Competitive Loan Pool, providing loans that are structured to meet the financing needs of a myriad of projects, such as those targeting very low income persons, supporting affordable, community housing options for persons with disabilities (including funding that could aid the state response to the DOJ settlement) and expanding permanent housing opportunities for persons experiencing homelessness. Additionally, \$1.5 million is targeted for the Comprehensive Neighborhood Revitalization Project. This pilot project effort will combine multiple funding sources in order to fund comprehensive community projects. DHCD has discussed the infusion of resources from other partners, such as VHDA, USDA, and Virginia Community Capital to maximize the amount of resources which can be brought to bear. At a minimum, the Housing Trust Fund resources will be paired with over \$3 million in other DHCD funding. The Housing Trust Fund will also have \$1 million available in grants to provide housing stabilization for homeless persons and support predevelopment assistance for projects seeking to develop long-term housing opportunities for the homeless.

The 2013 General Assembly also appropriated \$200,000 for Community of Opportunity Grants to help encourage landlords to accept housing vouchers in non-poverty areas. This is a pilot program targeted to the Richmond metropolitan area.

Funds in this service area are used for grants and loans to increase production of single and multi-family housing targeted at households at or below 80 percent area median income (AMI), to: remove health and safety hazards; improve affordability and habitability through energy-efficiency, heating, and plumbing improvements; provide financial resources to assist first-time homebuyers and address accessibility needs.

Additionally, this service area addresses the backlog 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 complete indoor plumbing is present, older housing is more likely to require rehabilitation, including improvements to major building components and systems, in order 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 percent or less of the area median income.

Mission Alignment

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.

Products and Services

Description of Major Products and Services

- Funding through grants and loans
- Administration of grants received from the U. S. Department of Housing and Urban Development (HUD), U. S. Department of Energy (DOE), U. S. Department of Health and Human Services (HHS), state and special fund sources (Commonwealth Priority Housing Fund, Virginia Housing Partnership Fund and Virginia Housing Trust Fund). These support the development of affordable multi-family and single-family housing development and housing rehabilitation assistance to low-income and special needs populations including the elderly, the disabled and the previously homeless, homeownership assistance for first-time homebuyers and the disabled, indoor plumbing and housing rehabilitation, health and safety hazards in housing units and repair and rehabilitation of substandard units.
- Customer service and training through annual training, technical assistance visits, and monitoring visits
- Operating support for community-based housing organizations

Anticipated Changes

An aging population and an increase in the number of persons with disabilities is anticipated to increase demand for housing assistance services. It is unlikely that the current funding levels will be adequate to meet the increased demand.

The Department has given a higher priority to permanent supportive and special needs housing. This priority has been reflected in the DHCD Action Plan. This HUD-approved is the annual guidance document that establishes the outline for the administration of funding received through HUD Community Planning and Development programs, which include Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Solutions Grants (ESG). Housing to serve these very high need populations is in particularly short supply.

Factors Impacting

The products and services in this area include the preservation and production of affordable housing using a variety of programs and funding sources. As the low-income population continues to grow, the need for affordable housing also increases. Families are unable to provide necessary improvements to homes, which increases the importance of preservation activities. Although Virginia has not been as seriously affected by foreclosures as other states, thousands of citizens have lost their homes. This means that they now need affordable rental housing, which is in very short supply. The Department anticipates an increased need for affordable rental housing. Compounding the issue of supply related to affordable rental housing, the availability of thousands of subsidized rental units is threatened by the expiration of low-income housing tax credits on multi-family projects across Virginia. Re-capitalization of these developments would extend their useful lives and continue to make them affordable for low-income citizens.

There will also be an increased need for permanent supportive housing as Virginia shifts its approach to address chronic homelessness. The state is making efforts to move persons with disabilities from institutions to community-based services. This increases the demand for special needs housing that is affordable, accessible and available. The Department anticipates a continued significant demand for housing support services for specific populations including those with special needs, veterans, disabled, elderly, re-entering prisoners, and those impacted by the on-going foreclosure crisis. DHCD also has wealth-building programs to help eligible individuals save funds for future use, such as to assist with a down payment for a house and receive counseling services to help prepare “savers” for the responsibilities associated with homeownership.

Funding from the U. S. Department of Housing and Urban Development HOME Investment Partnership Program has been reduced significantly. This has limited the amount of funds available for the production and preservation of affordable housing and for programs supporting new homeowners. Future projections and trends point to continued reductions.

However, the General Assembly needs to appropriate additional funding in future bienniums to continue Housing Trust Fund activities once the currently available resources are exhausted. In the near term, this limits a critical, flexible, resource for the development of new and preservation of existing affordable housing in Virginia.

The Weatherization Assistance Program benefitted from a dramatic increase in resources as a result of the availability of funding from the American Recovery and Reinvestment Act of 2009 (ARRA). However, with those funds now depleted, the number of clients the program can serve will decrease as funding returns to pre-ARRA levels.

Financial Overview

This service area includes budgetary provision for the administration of funds anticipated from several federal programs providing housing assistance to qualifying individuals or entities. This included approximately \$172.3 million in housing assistance paid to Section 8 housing providers through Performance Based Contract Administration (PBCA) funding that DHCD anticipated administering as the result of the award of a contract with the federal Department of Housing and Urban Development (HUD). However, as a consequence of recent litigation in the federal courts addressing its administrative procedures, HUD has receded from making new contract awards for this program. Thus, the date when or even if these funds would ever become available is uncertain. These federal trust funds were removed from the FY 2015 budget but, for now, are still included for FY 2016. DHCD's base revised budget for this service area for FY 2015 is \$4,135,800 in general funds and \$17,002,167 in non-general funds. The revised FY 2016 budget is \$4,630,373 in general fund dollars and \$189,279,273 in non-general funds.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	185,800	189,279,273	679,431	189,279,273
Changes to Initial Appropriation	3,950,000	-172,277,106	3,950,942	0

Supporting Documents

Title **File Type**

Homeless Assistance [45804]

Description of this Program / Service Area

This service area administers the Commonwealth's programs seeking to end homelessness in Virginia in partnership with local governments and nonprofit organizations serving the homeless, those at imminent risk of homelessness and persons with Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS).

Funds are used for homeless assistance and prevention. This includes operating support for emergency shelters, housing stabilization services, and assistance such as security deposits and temporary rental assistance to help move persons experiencing homelessness into permanent housing. Funds are also used to help divert people from becoming homeless by providing housing stabilization services and temporary rental assistance.

The 2015 General Assembly continued to allocate \$500,000 for the development of permanent supportive housing. These funds provided permanent housing for chronically homeless persons, those who are most difficult to serve. The 2015 General Assembly also allocated \$1 million for FY 2016 to continue support for rapid re-housing – moving persons out of homeless shelters and into permanent housing settings as quickly as possible. Virginia has embraced this approach, which has been a critical factor in the Commonwealth's ability to make significant strides in reducing homelessness. \$500,000 is to be focused on ensuring that no veteran is homeless or in a shelter for more than 30 days.

Mission Alignment

By providing safety through shelters, homeless prevention programs, rapid re-housing 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.

Products and Services

Description of Major Products and Services

- Development of grant applications for funding from federal and non-federal sources
- Grants administration for the Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Homeless Solutions Grant (HSG) for operations and rapid re-housing
- Permanent Supportive Housing
- Homelessness Prevention Program (HPP)
- Child Care for Homeless Children Program (CCHCP)
- Customer service and training through training events, technical assistance calls and visits as well as monitoring visits
- Support and coordination for local continua of care (CoC) and other planning processes that increase collaboration and coordination in the delivery of services to homeless individuals and families
- Administration of the Balance of State CoC and related federal Homeless Information Management System (HMIS) grant
- Implementation of the action steps outlined in the Homeless Outcomes Advisory Committee Report and Recommendations

Anticipated Changes

The Department has restructured its homeless assistance programs in keeping with current research, best practices and the Homeless Outcomes Advisory Committee Report and Recommendations. The Department transitioned to a competitive process that increases the emphasis on homeless prevention and rapid re-housing rather than relying primarily on a shelter-based system of homeless services delivery. This is consistent with the approach required in federal homeless assistance programs. Research has consistently demonstrated that rapid re-housing is a more cost effective way to address homelessness. It has also been demonstrated to be a more effective strategy for stabilization services delivery. To make the most effective use of limited resources, the Department has moved to supporting a range of homeless services rather than just emergency shelter services. Permanent supportive housing provides housing opportunities for chronically homeless persons who need on-going supportive services in order to maintain stable housing.

For fiscal year 2015, the Department combined several existing programs to create the Virginia Homeless Solutions Program (VHSP), which aims to ensure an emergency crisis response system to homelessness in communities throughout the commonwealth. VHSP replaces the Homeless Solutions Grant (HSG), Emergency Solutions Grant (ESG), and Homeless Prevention Program (HPP).

Factors Impacting

Reductions in state support for rapid re-housing imperil Virginia's recent success in reducing homelessness. DHCD and its partners have made significant financial and technical assistance investments to transform the state's model for responding to homelessness. The initial results are positive. More individuals and families are returning more quickly to stable housing conditions; however, a critical need remains for resources to continue reinforcement of this concept and to continue reducing both the number of persons experiencing homelessness and the duration of their homeless status. However, shifting any additional existing funds to rapid re-housing may adversely affect the safety net of emergency shelters.

An ongoing lack of affordable housing makes it difficult to re-house homeless families. With limited and insufficient supplies of affordable housing

homelessness cannot be reduced. High unemployment limits the ability of homeless families to transition successfully to permanent housing. In addition, recent census data from the American Community Survey indicates that over two-thirds of renter households with incomes at or below 30% of median household income must spend more than 30 % of that income on housing. Declining home ownership rates have increased the demand for rental housing and exerted upward pressure on rents, potentially exacerbating the rental affordability problem.

Financial Overview

Non-general and general funds expended within this service area combine to address two aspects of homelessness: (1) providing assistance to organizations, including non-profits and local governments, helping persons and families actually experiencing homelessness as well (2) supporting homelessness prevention activities that aim to prevent individuals and families from becoming homeless. Non-general funds comprise federal Emergency Solutions Grants (ESG) and Housing for Persons with AIDS/HIV (HOPWA). DHCD's revised budget for this service area for FY 2015 is \$12,542,133 in general funds and \$6,403,717 in non-general funds. The revised FY 2016 budget is \$13,378,955 in general funds and \$6,403,717 in non-general funds.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	12,872,586	6,403,717	12,378,955	6,403,717
Changes to Initial Appropriation	-330,453	0	669,547	0

Supporting Documents

Title **File Type**

Financial Assistance for Housing Services [45805]

Description of this Program / Service Area

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 that serve low-income individuals and households, including the elderly and persons with disabilities. The primary goals of this service area are the same as found in Service Area Plans 45801 and 45804.

Mission Alignment

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.

Products and Services

Description of Major Products and Services

- Funding through grants and loans
- Administration of grants received from the U. S. Department of Housing and Urban Development (HUD), U. S. Department of Energy (DOE), U. S. Department of Health and Human Services (HHS), state and special fund sources (Commonwealth Priority Housing Fund, Virginia Housing Partnership Fund and Virginia Housing Trust Fund). These support the development of affordable multi-family and single-family housing development and housing rehabilitation assistance to low-income and special needs populations including the elderly, the disabled and the previously homeless, homeownership assistance for first-time homebuyers and the disabled, indoor plumbing and housing rehabilitation, health and safety hazards in housing units and repair and rehabilitation of substandard units.
- Customer service and training through annual training, technical assistance visits, and monitoring visits
- Operating Support for community-based housing organizations

Anticipated Changes

An aging population and an increase in the number of persons with disabilities will likely increase the demand for housing assistance services. It is unlikely that the current funding levels will be adequate to meet the increased demand.

Rising costs for materials may curtail some program activities due to limits on the amount of funds, particularly federal funds that may be used in an individual housing unit.

Continued reductions in the funds available to support local community action programs may limit their active participation in providing services. As housing units age, they need repairs, often due to deferred maintenance because 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.

The demand for affordable housing units will strain the available resources. The Department has given a higher priority to permanent supportive and special needs housing. This priority has been reflected in the DHCD Action Plan. This HUD-approved plan is an annual guidance document that establishes the outline for the administration of funding received through HUD Community Planning and Development programs. Housing for these very high need populations is in particularly short supply.

The 2012 General Assembly appropriated \$7 million in funding for FY 2014 to capitalize a new Virginia Housing Trust Fund. The 2013 General Assembly appropriated an additional \$1 million, raising the Virginia Housing Trust Fund total to \$8 million. DHCD collaborated with the Virginia Housing Development Authority (VHDA), the Virginia Housing Coalition and the Virginia Coalition to End Homelessness to gather input used to shape the design of this newly created trust fund program. However, the General Assembly has not appropriated additional funding to continue Housing Trust Fund activities once the currently available resources are exhausted. In the near term, this eliminates a critical, flexible, resource for the development of new and preservation of existing affordable housing in Virginia.

Factors Impacting

The products and services in this area include preservation and production of affordable housing using a variety of programs and funding sources. As the number of low-income persons continues to increase, the need for affordable housing grows. Families are unable to provide necessary improvements to homes, which increases the significance of these preservation activities. While Virginia has not been as impacted by foreclosures as other states, thousands of citizens have lost their homes. This means that they now need affordable rental housing, which is in very short supply. The department anticipates an increased need for affordable rental housing. Compounding the issue of supply related to affordable rental housing, the continued availability of thousands of subsidized rental units is threatened by the expiration of low-income housing tax credits on multi-family projects across Virginia. Re-capitalization of these developments is needed to extend their useful lives and continue to make them affordable for low-income citizens.

There will also be an increased need for permanent supportive housing as Virginia shifts its approach to address chronic homelessness. The state is making efforts to move persons with disabilities from institutions to community-based services. This increases the need for special needs housing that is affordable, accessible and available. The Department anticipates a continued significant demand for housing support services for

specific populations including those with special needs, veterans, disabled, elderly, re-entering prisoners, and those impacted by the on-going foreclosure crisis. DHCD also has wealth-building programs to help eligible individuals save funds for future use, such as to assist with a down payment for a house and receive counseling services to help prepare “savers” for the responsibilities associated with becoming a homeowner.

Federal funding cuts to the HOME Investment Partnership Program have reduced the amount of federal funding Virginia receives for affordable housing by over 40 percent and future decreases are anticipated. This is the only funding available for affordable housing production. This reduction will mean that far fewer new affordable housing units will be developed in Virginia.

Financial Overview

Funding within this service area complements activities in the other housing-related service areas by providing assistance to local governments that work in partnership with DHCD to address the housing needs of low-income individuals and families, including the elderly and disabled. Ninety-eight percent of the funding stream is derived from federal sources. DHCD's base budget for this service area for FY 2015 is \$84,568 in general fund dollars and \$4,200,432 in non-general funding. The FY 2016 base budget is \$84,568 in general fund dollars and \$4,200,432 in non-general funds.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	84,568	4,200,432	84,568	4,200,432
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title	File Type
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Community Development and Revitalization [53301]

Description of this Program / Service Area

This service area encompasses work programs designed to support and enhance local community and economic development and revitalization efforts. They combine grants, technical assistance, design assistance, market development and branding, capacity building, leadership development, strategic community development, and training initiatives. The Community Development Division provides these resources to local partners to carry out revitalization and community and economic development activities. These activities target distressed rural and urban areas of Virginia, where needs are the greatest. Training and technical assistance are focus on helping communities and regions better understand available resources and learn how to effectively use these resources to address local issues. Specific programmatic efforts provide placed-based and economic development capacity building technical assistance. These include the Building Collaborative Communities (BCC) program, Community Development Block Grant (CDBG) program administration, Appalachian Regional Commission (ARC) program administration, the Industrial Revitalization Fund (IRF), the Building Entrepreneurial Economies program (BEE), the Indoor Plumbing and Rehabilitation program (IPR), regional water and wastewater construction programs (i.e. Southwest Virginia Infrastructure Construction Fund, Southeast Rural Community Assistance Project [SERCAP], etc.) the Virginia Main Street program (VMS), the Virginia Individual Development Accounts program (VIDA), the Neighborhood Stabilization Program (NSP) and the ongoing Trust Stabilization Program (TSP). Dedicated resources also support asset-based development initiatives, such as the Southwest Virginia Cultural Heritage initiatives that includes the Crooked Road, Heartwood, 'Round the Mountain, Appalachian Spring, as well as the Southern Virginia's Creative Economies, the Clinch River Valley Initiative, The Oyster Trail Initiative and Fields of Gold. DHCD continues to work collaboratively with local partners in the Shenandoah Valley region to support the development of a strong artisan network and to assess the viability of an artisan center. DHCD also provides support to the Center for Rural Virginia to help further its mission of fostering rural community leadership and promoting the attributes of rural Virginia.

Mission Alignment

This service area increases the capacity of local and regional entities to work in effective partnerships with DHCD. It also provides resources that directly affect the prosperity and viability of Virginia's most distressed communities.

Products and Services

Description of Major Products and Services

- Community Development Block Grant (CDBG), Industrial Revitalization Fund (IRF) and Appalachian Regional Commission (ARC) program administration and technical assistance to support project development and implementation
- Capacity building technical assistance, training and services to nonprofit organizations, with an emphasis on building capacity for regional collaborations.
- Downtown revitalization development and technical assistance, real estate packaging assistance; training and design and economic restructuring services
- Seed grants for operational support to nonprofit and community organizations
- Training and matching funds for individual development account savers to use for homeownership, entrepreneurship (i.e. business start-up), and education
- Support for innovations in small business development, microfinance and local entrepreneurial development strategies
- Collaborative support for regional community economic development strategies and entrepreneurship
- Broadband Planning
- Community Business Launch
- Virginia Velocity Business Plan Competition
- Grants to nonprofit organizations to support the cultural economy in Southwest to support the Southwest Virginia Cultural Heritage Foundation in starting and operating the Southwest Virginia Artisans Center
- Grants and technical assistance to support the agricultural and other food based economic development strategies throughout the commonwealth of Virginia
- Grants and technical assistance to local and regional micro-enterprise development organizations (MDOs) to provide training and services to non-traditional entrepreneurs.
- Project administration for the construction of water and wastewater systems
- Funding through the Neighborhood Stabilization Program to improve conditions of neighborhoods impacted by the foreclosure crisis
- Funding through the Trust Stabilization Program for the rehabilitation of previously foreclosed homes for resale
- Grants and technical assistance that play a critical role in the economic delivery strategy to support and address sundry economic challenges such as job losses from industry downsizing or plant closings
- Continued oversight of the Southern Rivers program, designed to improve the water quality in non-Chesapeake Bay watersheds; this program will reach completion soon
- Increased emphasis on improving communication and partnerships with other state and federal partners
- Support to the Virginia Center for Rural Development

Anticipated Changes

As recognition of the importance and significance of the cultural heritage initiatives grows, the Commonwealth must expand its support and commitment to these efforts. The most recently added programs for community and economic development, such as, the Building Collaborative Communities, the Industrial Revitalization Fund, the increased base budget for the Main Street program and a focus on helping communities and

regions build entrepreneurial economies will continue to create new opportunities to spur economic development, particularly in distressed areas of the Commonwealth. The HOME program, a major source of funding for Indoor Plumbing Rehabilitation (IPR), has been cut by 48 percent over the last two years, while CDBG funding has been cut by more than 21 percent during the same time. DHCD is closely watching the trend in federal HOME and CDBG funding as additional cuts to both programs have been proposed in the U.S. House of Representatives for FFY 2014 (SFY 2015).

Factors Impacting

Reductions in funding levels and ability to attract and retain quality staff will limit the number of partners and communities that can be served.

Financial Overview

Expenditures from within this service area are directed toward the support of local and regional economic and community development initiatives in distressed communities through a combination of grants, technical assistance, design assistance, market development and branding as well as training. DHCD's revised budget for this service area for FY 2015 is \$5,628,941 in general funds and \$1,950,742 in non-general funds. The revised FY 2016 budget is \$6,553,941 in general funds and \$1,950,742 in non-general funds. \$475,000 was appropriated for FY 2016 for the Southwest Virginia Cultural Heritage Foundation.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	6,378,941	1,950,742	6,078,941	1,950,742
Changes to Initial Appropriation	-750,000	0	475,000	0

Supporting Documents

Title **File Type**

Financial Assistance for Regional Cooperation [53303]

Description of this Program / Service Area

The primary purpose of this service area is to encourage and facilitate local government cooperation in providing regional responses to problems of greater than local significance. Cooperative efforts are intended to assist local governments in meeting their own problems by enhancing their ability to recognize and analyze regional opportunities and take account of regional influences in planning and implementing their public policies and services. Virginia's 21 Planning District Commissions (PDCs) are charged with assisting localities in meeting these goals. Benefits include greater effectiveness in conducting local government functions and the provision of a wide range of assistance to local governments including funding applications, grants management, economic development coordination and management assistance. Also included are resources to support planning and design activities for water and wastewater systems.

Mission Alignment

This service area directly aligns with DHCD's mission to make Virginia communities safe, affordable and prosperous places in which to live, work and do business.

Products and Services

Description of Major Products and Services

- Distribution of state funding
- Technical assistance and training
- Coordination of agency programs
- Review of and adjustments to the boundaries of planning districts after each decennial census
- Biennial report on Planning District Commissions to the Governor and the General Assembly

Anticipated Changes

Between October 2007 and May 2010, state general fund support to the Planning District Commissions (PDCs) was reduced six times (falling from \$90,000 to \$66,062 for most PDCs). In 2011, the General Assembly increased state funding to the PDCs by 15 percent (from \$66,062 to \$75,971 for most PDCs). The funding remained level through the 2012-2014 biennium. It is important to note that any future funding reductions would negatively affect the ability of PDCs to provide services to their member local governments and could result in the loss of matching federal funds.

Factors Impacting

Structural changes to individual Planning District Commissions.

Financial Overview

A majority of the resources available within this service area are allocated to the 21 regional Planning District Commissions on a quarterly basis. Water and wastewater planning and design activities within the southwest region of the state also receive funding from this source. DHCD's base budget for this service area for FY 2015 is \$2,354,076 in general funds and \$0 in non-general funding. The FY 2016 base budget is \$2,354,076 in general funds and \$0 in non-general funds.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	2,354,076	0	2,354,076	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title File Type

Financial Assistance for Community Development [53305]

Description of this Program / Service Area

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 supporting a wide range of activities. These include infrastructure development, economic development, downtown revitalization, neighborhood improvements, housing rehabilitation, economic self-sufficiency, asset building and community service facilities. Activities target distressed Virginia communities, where needs are the greatest. These tools will include financial resources available through the Community Development Division. Specific programmatic efforts include the Southwest Virginia Infrastructure Construction Fund, the Virginia Individual Development Account program (VIDA), the Building Entrepreneurial Economies (BEE) initiative, the Indoor Plumbing and Rehabilitation Program (IPR), the Southeast Rural Community Assistance Project Community Development Block Grant (CDBG) Program and the Appalachian Regional Commission (ARC) Program.

Mission Alignment

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.

Products and Services

Description of Major Products and 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
- CDBG and ARC program administration and technical assistance to support project development and implementation
- Implementation and technical assistance for the IPR program; addressing the neediest households in the Commonwealth, those relying on pit privies or failed septic systems
- Grants to local governments and nonprofit organizations to implement strategies for local, community and small business development
- Grants and technical assistance to local and regional micro-enterprise development organizations (MDOs) to provide training and services to non-traditional entrepreneurs
- Training and matching funds for individual development account savers to use for homeownership, entrepreneurship (i.e., business start-up), and education
- Grants and technical assistance to facilitate infrastructure improvements, including connections to water and wastewater systems and upgraded telecommunications access

Anticipated Changes

Potential budget cuts would impact the delivery of services. The Indoor Plumbing Rehabilitation (IPR) program has received incremental reductions and could experience additional cuts in the future. During the current decade, funding for Virginia's statewide CDBG program has been reduced by more than 21 percent.

Factors Impacting

Reductions in funding levels will limit the number of partners and communities that can be served.

Financial Overview

The bulk of the non-general funds within this service area derive primarily from the federal Community Development Block Grant (CDBG) and Appalachian Regional Commission (ARC) programs. These combine with general funds to provide financial assistance for local and regional projects that address community development and revitalization efforts through infrastructure improvements, support for economic development activities, neighborhood improvements, housing rehabilitation, community service facilities and activities promoting economic self-sufficiency, entrepreneurship and asset building. DHCD's base budget for this service area for FY 2015 is \$3,684,409 in general funds and \$25,057,270 in non-general funds. The FY 2016 base budget includes \$3,984,409 in general funds and \$25,057,270 in non-general funds.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	3,684,409	25,057,270	3,984,409	25,057,270
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title

File Type

Financial Assistance for Economic Development [53410]

Description of this Program / Service Area

This service area includes assistance to target businesses and investors to encourage new job creation and investment in distressed areas of the Commonwealth where needs are the greatest. Assistance is currently provided in the form of grants, supplanting the former use of tax credits. Specific programmatic efforts include the Enterprise Zone Program (EZ). In any program year, residual EZ program funds, if any, must be deposited in the Derelict Structures (53301) fund to support industrial site revitalization.

Mission Alignment

This service area directly supports DHCD's mission to make Virginia's communities prosperous places in which to live, work and do business.

Products and Services

Description of Major Products and Services

- Technical assistance on program implementation
- 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 creating jobs and making real property improvements in distressed areas

Anticipated Changes

DHCD does not anticipate any changes to products or services. However, there should be a continued decrease in the use of the General Income Tax Credit (GITC). The ten-year incentive period for most companies currently grandfathered into the use of GITC should close after FY 2014. The Tax Credit allows for the carry forward of unused tax liability, so at this point there is no estimate of when those will end other than the ultimate tax credit sunset in FY 2019.

Factors Impacting

- Funding availability at the state level. Reductions in overall funding may result in limiting the availability of in grants available for qualifying real property improvements within Enterprise Zones
- Legislative changes impacting the structure of these programs
- Local capacity to help make businesses aware of these program resources
- Continued slow economic growth may continue to impact businesses' ability and willingness to create new jobs and investment regardless of public sector financial inducements

Financial Overview

Funds from this service area provide grants as incentives for job creation and investment in real property improvements occurring within designated Enterprise Zones. Depending on the number of qualified applicants for the grants within each fiscal year, it may be necessary to pro-rate the award of real property improvement grants in accordance with current statutory and budgetary provisions. DHCD's base budget for this service area for FY 2015 is \$12,423,354 general funds and \$0 in non-general funds. The FY 2016 base budget is \$12,423,354 in general funds and \$0 in non-general funds.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	12,423,354	0	12,423,354	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

State Building Code Administration [56202]

Description of this Program / Service Area

This service area, through the State Building Codes Office (SBCO), 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 SBCO administers the Virginia Uniform Statewide Building Code (USBC), Virginia Statewide Fire Prevention Code (SFPC), and related regulations. The SBCO emphasizes a comprehensive systems approach, incorporating code development and assistance, compliance and enforcement, interpretation and application, and training and certification by working collaboratively with a diversity of client, constituent, and stakeholder organizations. They represent consumers and manufacturers, manufactured housing and industrialized/modular building industries, building owners and property managers, design professionals, general contractors, professional organizations and trade associations, local governments and state agencies. Through its active participation in the national model code development process, Virginia is also a leader in the development of these codes. The state regulatory amendments adopted by the Board of Housing and Community Development (BHCD) often serve to direct the content and intent of revisions to the International Code Council (ICC) national model codes.

The SBCO supports the State Building Code Technical Review Board (TRB), a quasi-judicial body, in making determinations of appellate cases arising from the application and enforcement of the USBC, SFPC, and certain other building-related regulations at the local government level.

The Jack A. Proctor Virginia Building Code Academy (JPVBCA), provides highly recognized administrative, core, introductory, advanced, technical, specialized, code update, and continuing education training programs concerning the content, intent, interpretation, application, compliance, and enforcement of the Virginia Uniform Statewide Building Code (USBC), Virginia Statewide Fire Prevention Code (SFPC), and other related building and fire codes and regulations adopted by the Board. To provide for the uniform enforcement of state building and fire codes and regulations, Virginia mandates the certification of code enforcement personnel, which requires education and examination of code enforcement professionals to ensure a high level of knowledge, competency, and professionalism. A statewide surcharge of 2% levied on all permits issued by local building departments supports state and regional training programs for code enforcement professionals.

The SBCO administers and enforces manufactured housing safety regulations, the licensing program, and Transaction Recovery Fund, through regulations adopted by the Manufactured Housing Board (MHB). The SBCO acts as the state administrative agency for the designated enforcement of federal manufactured home safety standards and addresses related complaints. Relative to the industrialized building safety regulations, the SBCO also administers a program issuing compliance seals for industrialized buildings meeting required safety standards. The SBCO periodically conducts inspections of facilities that fabricate industrialized buildings, modular units and manufactured housing.

Mission Alignment

The development, promulgation, 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, healthy, energy efficient and affordable buildings and structures.

Products and Services

Description of Major Products and 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 (TRB) 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 the administration of regulations covering 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. SBCO staff audits these manufacturing facilities to monitor their compliance with the regulations.
- **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 federal Department of Housing and Urban Development (HUD); 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, introductory, advanced, technical, specialized, code update, and continuing education courses mandated for all certificate holders including local governmental code enforcement personnel appointed or delegated to enforce the building and fire regulations and third party personnel seeking applicable certification; developing and conducting

mandatory periodic statewide code update training and bi-annual continuing education for local governmental code enforcement personnel and independent third-party inspectors; processing and issuing the certifications of local governmental 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 SBCO staff supports the activities of this board, which is responsible for the protection of the industry and consumers of manufactured homes and addressing manufactured housing complaints and licensure issues.
- The State Building Code Technical Review Board (TRB). The staff supports the Technical Review Board in its quasi-judicial capacity and administrative operations responsible for hearing and determining appeals of cases regarding the application and enforcement of the codes brought forth from the local government level, issuing technical opinions and interpretations resulting from formal inquiries, and recommending to the BHCD amendments to the codes and regulations.

Anticipated Changes

- The number of code enforcement personnel, i.e. building, fire, and property maintenance officials, technical assistants, and independent third-party inspection agents requiring products and services is subject to continual change.
- Training programs and course offerings implemented by the JPVBCA in parallel with gubernatorial initiatives, the structural integrity of buildings, accessibility and industry trends and needs.
- Evaluation of education and examination requirements for existing certifications to ensure knowledge, competency, and professionalism commensurate with present code provisions and current industry standards.
- Enhanced training technology, delivery, and media delivery formats implemented by the JPVBCA.
- Technical and administrative assistance by the SBCO relative to future editions of the ICC national model codes and the Virginia Codes.
- Development and facilitation of training by JPVBCA instructors associated with the adoption and introduction of the most recent (e.g., 2012) ICC national model codes.
- Enhancement of electronic on-line registration and application systems and expansion of electronic databases for technical and training assistance.
- Electronic publication to and communication with all clients through the DHCD website and other related links.
- 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.

Factors Impacting

- General construction industry conditions based upon current economy trends
- Number of code enforcement personnel, i.e. building, fire, and property maintenance officials, technical assistants, and independent third-party inspection agents requiring products, services, and assistance.
- Development and subsequent implementation of technical, advanced, specialized, and regional training curriculum, courses, and programs.
- Development and incorporation of delivery formats and incorporation of technology and alternate media.
- Ongoing 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.
- Adoption by national model code agencies of new standards or provisions affecting areas such as energy efficiency, water conservation and new building technologies.
- Future retirements and departure of key supervisory personnel and senior technical staff and the need to recruit highly qualified replacement personnel with code and industry knowledge and skills, may necessitate a review of the compensation structure.

Financial Overview

Resources in this service area support activities related to the development and application of the state's primary building safety regulations, including the Uniform Statewide Building Code and the Statewide Fire Prevention Code. Sources of non-general funds include federal funds for the state's participation as a State Administrative Agency (SAA) handling consumer affairs related to manufactured housing, proceeds from the issuance of seals certifying the compliance of factory built and manufactured homes with applicable standards, funds from the manufactured Housing Transaction and Recovery Fund, and revenues from a surcharge on building permit fees that supports the operation of the state's building code academy, which promotes the uniformity of code inspection and enforcement services by local building officials and staff. DHCD's base budget for this service area for FY 2015 is \$483,712 in general funds and \$2,289,828 in non-general funds. The FY 2016 base budget is \$483,712 in general funds and \$2,289,828 in non-general funds.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	483,712	2,289,828	483,712	2,289,828
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

General Management and Direction [59901]**Description of this Program / Service Area**

This service area provides overall direction and support to all services and programs provided by the other service areas within the agency by: offering 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 Virginia Information Technology Agency/Northrop Grumman (VITA/NG), database development and support for the entire agency at its Richmond and Abingdon locations. All agency administrative functions are directed by this service area.

Mission Alignment

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.

Products and Services**Description of Major Products and Services**

- Overall policy direction, strategic management and accountability of all agency services and programs:
- Preparation of all budget documents
- Financial resources management and reporting
- Cash management including federal draw downs
- Legislative preparation, analysis, tracking and reporting
- Policy research and development
- Coordination of regulatory development processes
- 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
- Procurement activities
- Property and lease management

Anticipated Changes

DHCD does not anticipate any changes to its core products or services. The Department will continue to emphasize and maintain excellence in customer service. However, the Department has made significant changes in its methods for delivering customer service and products. DHCD has implemented a Comprehensive Automated Management System (CAMS) that has improved and enhanced the delivery of services to internal and external customers. This system provides better coordination and collaboration across service areas within the agency. More importantly, it gives DHCD a better way to communicate with external customers and receive electronic applications and reports for our various programs and services.

Factors Impacting

The most significant factor affecting our products and services would be the continued expansion and refinement of CAMS at DHCD. This automated system improves and enhances the delivery of services to all customers. This system provides for better coordination and collaboration within the agency, including across divisional lines of authority. Additionally, it allows DHCD to better communicate with our external customers and receive electronic applications for our various programs and services.

Financial Overview

The primary source of funding is from the general fund. Nongeneral funds from the indirect cost recovery program are used to fund some positions and for technology services including database development. DHCD's budget for this service area for FY 2015 is \$2,274,688 in general funds and \$543,457 in non-general funds. The FY 2015 budget is \$2,258,081 in general funds and \$543,457 in non-general funds.

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	2,274,688	543,457	2,258,081	543,457
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Intergovernmental Relations [70101]**Description of this Program / Service Area**

The Commission on Local Government's activities are focused on six principal areas: (a) review and assist the resolution of proposed boundary change and governmental transition issues as well as inter-local agreements that settle such actions; (b) analyze and report on the comparative fiscal condition of Virginia's counties and cities; (c) examine proposed state legislation for its fiscal impact on the Commonwealth's local governments; (d) review and oversee the assessment and cataloging of all state and federal mandates imposed on Virginia localities; (e) collect data published in an annual report on local government cash proffer usage; and (f) provide staff support to the Governor's Task Force for Local Government Mandate Review, which was recently authorized to operate through June 2018.

Mission Alignment

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 localities increasing their resources and land for development, which can facilitate the economic growth of their area in general.

Products and Services**Description of Major Products and 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
- 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
- Technical assistance to localities, citizens and state agencies regarding inter-local concerns, including local government boundary change and transition issues and alternative approaches to such concerns
- 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
- Research and preparation of an annual report on county – municipal boundary change actions in Virginia
- Annual catalog of state and federal mandates imposed on Virginia localities
- Oversight of the executive agency assessment of state and federal mandates on localities
- Staff support to the Governor's Task Force for Local Government Mandate Review
- 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 (PDCs), including the preparation of a biennial report on PDCs to the Governor and General Assembly

Anticipated Changes

- The 2011 General Assembly added Code of Virginia Section 15.2-2903(8) to direct the Commission to assist a five-member task force appointed by the Governor to review state mandates imposed on localities and to recommend temporary suspension or permanent repeal of such mandates, or other appropriate action. This provision was set to expire in 2014; however, the 2014 General Assembly extended authorization for the Task Force's to July 1, 2018. When the Task Force was established, it was envisioned as a short-term temporary body; however, the agency continues to absorb the workload of this Task Force without additional funding.
- The Commission's fiscal impact review workload is expected to increase during future General Assembly sessions. The 2014 General Assembly approved H.B. 199, which is anticipated to increase the number of bills that are referred to the Commission for review. Second, the heightened focus on unfunded mandates brought about by the aforementioned task force may encourage more localities to participate in the process. The agency intends to use a one-time \$35,000 appropriation from the 2014 General Assembly to build a system to assist with fiscal impact review, but it is currently unknown whether this new system will be sufficient to handle the increased workload, or whether temporary help will also be needed during future General Assembly sessions.

Factors Impacting

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

The Commission does not 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 timeframes.

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. Delays and errors in the production of such data can affect the completion of Commission projects.

Financial Overview

Funds committed to this service area support the activities of the Commission on Local Government and staff support for that collegial body in accordance with its statutory obligations to review and make recommendations on a variety of inter-local governmental agreements, including annexations, reversions, and consolidations. DHCD's base budget for this service area for FY 2015 is \$340,390 in general funds and \$0 in non-general funds. The FY 2016 base budget is \$340,444 in general fund dollars and \$0 in non-general funds.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	340,390	0	340,444	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**