

2018-20 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 allocated funding consists of federal trust funds (42.8%), the state's general fund (54.9%), special funds (2%) and dedicated special revenue (0.25%) for FY 2019 and federal trust funds (38.1%), the state's general fund (59.8%), special funds (2%) and dedicated special revenue (0.2%) for FY 2020. This includes approximately \$69.8 million in 2019 and \$91.2 million in 2020 for community development and revitalization and financial assistance for regional cooperation and community development; approximately \$71.9 million in 2019 and \$69.6 million in 2020 for housing and homeless assistance and financial assistance for housing services; and approximately \$13.7 million in 2019 and \$14.7 million in 2020 for financial assistance for economic development.

Biennial Budget

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
Initial Appropriation for the Biennium	83,405,720	73,084,436	90,072,386	73,084,436
Changes to Initial Appropriation	5,500,000	0	18,954,050	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. Significant additions are the Growth and Opportunity (GO Virginia) Regional Councils which are composed of individuals from business, education, workforce, economic development, local government, regional planning entities and nonprofits. 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
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	Distressed communities	36	36	Stable
Local or Regional Government Authorities	Local Government	324	324	Stable
Local or Regional Government Authorities	Technical Assistance Recipients	8,000	8,400	Stable
Local or Regional Government Authorities	GO Virginia Regional Councils	9	9	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

Resident	Virginia Homeowners	250	2,038,207	Increase
State Agency(s),	Three-Judge Courts	8	45	Stable

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 Housing Alliance (VHA)	Within service areas 45801 and 45804, the Department works in partnership with VHA toward their mission of expanding housing opportunity and ending homelessness throughout the Commonwealth. The Department also works closely with VHA as a part of the Governor's 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 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.
Governor's Coordinating Council on Homelessness & Interagency Leadership Team	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. Members of the Council include, the Governor's office, DHCD, Department of Medical Assistance Services, Virginia Department of Health, Department of Social Services, Department of Behavioral Health and Development Services, Department of Juvenile Justice, Department of Aging and Rehabilitative Services, Virginia Housing and Development Authority, Department of Veterans Services, Department of Corrections, Department of Criminal Justice Services, U.S. Department of Housing and Urban Development, and numerous non-profits.
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.
GO Virginia State Board & Regional Councils	The Department administers the GO Virginia program; staffing the GO Virginia board, providing technical assistance and grant administration tasks with the Regional Councils.
Department of Fire Programs	As a part of the Virginia Building Code process, the Fire Services Board, consisting of Department of Fire Programs, works with the Board of Housing and Community Development and DHCD staff to update the Virginia Uniform Statewide Building Code.
Virginia Resources Authority	The Department has partnered with VRA on projects to provide adequate and safe drinking water and sanitary sewer infrastructure.

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. DHCD is the lead state agency implementing coordinating new federal tax incentive program with communities and investors.

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.

Measures

- ◆ 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

- Provide funding through the Community Development Block Grant Program (CDBG) that enables communities to provide water/wastewater infrastructure.
- 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.
- ◆ Number of residents with new access or improved access to broadband technology.

» **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
- ◆ Number of businesses assisted through community development activities.
- ◆ Number of new jobs created through community development activities.

» **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 seeks to reduce homelessness by helping vulnerable households who are homeless or at risk of homelessness. It focuses on diverting, where possible, households from homelessness while at the same time getting those experiencing homelessness into permanent housing as quickly as possible. This goal encompasses a number of subpopulations, 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 increase the overall availability of affordable housing through targeted rental, homeowner and homebuyer assistance and through low-cost project financing targeted to preserve and created new affordable rental and homebuyer units.

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 homeowners through targeted home buyer rehabilitation assistance.**

Description

DHCD works closely with nonprofit partners to undertake the rehabilitation of dilapidated housing in the rural areas of the Commonwealth.

Objective Strategies

- Provide education and financial assistance to nonprofit housing partners to train housing rehabilitation specialist and to fund housing rehabilitation projects benefiting low-to-moderate income households.

Measures

» **Improve the quality and increase the affordability of housing options for low-income households, including the special needs populations.**

Description

DHCD works closely with local and regional governmental and private sector partners, including nonprofit organizations, to upgrade existing housing and create new housing opportunities that increase affordability for low-income households, including special needs households in the Commonwealth.

Objective Strategies

- Promote developer partners' increased awareness of and participation in tax credit programs and DHCD's Affordable and Special Needs Housing Program that incentivize affordability and/or accessibility features of existing and new housing units/projects.

Measures

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

» **Provide targeted funding for new and improved housing stock targeted to low- and moderate-income households including households with special needs.**

Description

Virginia has a shortage of affordable housing resulting in many Virginia's paying a significant portion of their household income on housing related expenses, commuting long distance to jobs, and living in substandard, crowded conditions. This goal seeks to increase the overall availability of quality affordable housing through low cost gap financing of affordable rental and homebuyer projects. The goals seeks to increase the overall number of affordable units but also to assure the availability of units, including accessible units, to special needs populations.

Objective Strategies

- Provide low interest loans to developers to incentivize the creation and preservation of affordable housing.

Measures

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

• **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 Districts 1, 2 and 3 that support the planning efforts of regional water/wastewater 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) regional economic development, (2) increased small business and entrepreneurial capacity (3) asset based economic development, (4) enhanced downtown/commercial revitalization, and (5) diversifying regional economies and creating higher paying jobs through incentivizing regional collaboration in planning and project implementation. 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, DHCD serves these individuals 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 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.

Overall homelessness has decreased 10.7 percent since 2014 and homelessness among families has decreased by 16.5 percent. Over that same period, chronic homelessness has decreased by 22.3 percent and veteran homelessness has decreased by 16.9 percent. In November 2015, Virginia became the first state to functionally end veteran homelessness. These achievements follow the significant decline in homelessness between 2010-2014 of 23 percent.

The biennium budgets for fiscal years 2013-14 and 2015-16 allocated \$8,000,000 (\$4 million in each year) to create and fund the Virginia Housing Trust Fund. This amount was increased to \$11,000,000 (\$5.5 million per year) for the 2017-18 biennium and further increased to \$18,000,000 for the 2019-20 biennium. At least 80 percent of the Fund is to be used for short, medium and long-term loans to reduce the cost of homeownership and rental housing. Up to 20 percent of the Fund may be used to provide grants for targeted efforts to reduce homelessness. To date, Virginia has invested approximately \$12 million in Housing Trust Fund loan financing to create over 1,000 units of new or rehabilitated affordable housing. In addition, over \$2.5 million has been awarded to address homelessness through rapid re-housing, services for permanent supportive housing

and pre-development of permanent supportive housing.

DHCD continues to partner with the Virginia Housing Development Authority, 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.

The state budget directs DHCD to develop and implement strategies that may include potential Medicaid financing for housing individuals with serious mental illness. DHCD is partnering with other state agencies and stakeholders to come up with innovative solutions to expand supportive housing for people with serious mental illness. The work group will come forward with strategies before the next General Assembly session.

In January 2016, after a nearly two-year long and two phase application process which began in 2014, Virginia was awarded \$120,549,000 in CDBG-DR funds through the National Disaster Resiliency Competition. The National Disaster Resilience Competition was designed to promote risk assessment, stakeholder engagement, and resilience planning in communities where the risks of disaster are projected to increase substantially due to climate change. While the original application addressed many of the needs throughout the Hampton Roads area, the final selection consisted of the needs of the Ohio Creek Watershed Project Area within the City of Norfolk and a Regional Coastal Laboratory Accelerator Center (CRLAC). Infrastructure improvements in this watershed have begun construction and a business incubator has been developed to aid businesses that are contributing to resiliency related products.

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.

Community Development efforts continue to produce results for the Commonwealth. 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. The Virginia Main Street (VMS) program partnered with localities in the effort to revitalize Virginia's small and medium-sized downtowns by leveraging more than \$272 million in private investment in 2,034 building rehab projects that resulted in 3,092 net new jobs since 2013. The Governor has advocated for enhanced broadband deployment as central to both community and economic development. The first round of funding for the Virginia Telecommunications Initiative was announced in March 2017 with 5 localities and their private sector partners awarded \$944,849. The second round of funding was announced in January 2018 with four localities and their private sector partners awarded \$978,599. DHCD continues to see strong demand for broadband expansion efforts moving forward emphasizing the additional funding of \$23 million for FY2019 and FY 2020 to DHCD for continuing Virginia Telecommunications Initiative. Additionally, DHCD houses the Deputy Chief Broadband Advisor.

Staffing

Authorized Maximum Employment Level (MEL)	112
Salaried Employees	92
Wage Employees	4
Contracted Employees	0

Key Risk Factors

It is possible that federal program resources will receive cuts in future years. 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 is a key component of the Commonwealth's plan to reduce homelessness.

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.

GO Virginia – DHCD is implementing the Commonwealth’s new signature initiative designed to grow and diversify the economy through regional collaboration. DHCD is implementing GO Virginia under the direction of the Virginia Growth and Opportunity Board and in partnership with the nine GO Virginia Regional Councils that are working with planning assistance to identify the best growth and diversification opportunities for their region and will then seek financial assistance to implement these strategies. GO Virginia capacity building grants, regional population-based grants and competitive regional grants are designed to help grow and diversify Virginia’s economy and create higher paying jobs through state financial incentives for regional projects that encourage collaboration between private sector companies, workforce, education and government in each region. This initiative bolsters DHCD’s efforts in housing, community development and regional collaboration through partnerships with new partners focused on economic development. Economic Growth and Diversification plans are developed by each region providing the basis for per capita and competitive grants in FY 2018 and FY 2019. DHCD is working with the GO Virginia Board to track statewide and region specific performance measure metrics.

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.

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 continues to improve 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.

Estimate of Technology Funding Needs

Workforce Development

A significant number of DHCD employees 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 and 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.

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.

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. Approximately eighty-seven (87) DHCD employees have assigned offices in the Main Street Centre. This facility also provides meeting space that enables DHCD to convene meetings with our boards, customers and agency stakeholders.

The DHCD regional office located 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. Approximately seven (7) 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

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.

Some of the programs administered by DHCD for housing assistance include: HOME Investment Partnerships (HOME) Program which received \$10,094,628 in fiscal year 2019 to develop affordable housing projects in Virginia; Housing Opportunities for Persons with Aids (HOPWA) which received \$962,389 to provide housing assistance and related supportive services for low-income persons living with HIV/AIDS and their families; Emergency Solutions Grant (ESG) which received \$2,771,457 to assist with rapid re-housing assistance. Some other programs administered through this service area include both the Virginia and National Housing Trust Funds, Weatherization, and Low-Income Home Energy Assistance Programs. The Housing Trust Funds is intended to create and preserve affordable housing and to reduce homelessness in the commonwealth, the Weatherization program provides funds to install measures that reduce residential heating and cooling costs for low-income families and enhance the health and safety of residents and the Low-Income Home Energy Assistance Program (LIHEA) which assists low-income families with energy costs.

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 substandard housing in Virginia's rural areas through housing rehabilitation services. 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 income 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.

Authority: Title 36, Chapters 1.4, 8, 9, and 11; and Title 58.1, Chapter 3, Articles 4 and 13, Code of Virginia.

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 (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.

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 works 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 and re-entering prisoners. 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.

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. DHCD's base budget for this service area for both FY 2019 and FY 2020 is \$6,391,930 in general funds and \$28,430,044 in non-general funds each year.

Biennial Budget

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
Initial Appropriation for the Biennium	6,391,000	28,430,044	6,391,000	28,430,044
Changes to Initial Appropriation	5,500,000	0	1,604,050	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 biennium budget for fiscal year 2019-20 allocated approximately \$8,400,000 the first year and \$8,400,000 the second year to assist in providing support services for person at risk of or experiencing homelessness and housing for populations with special needs, and \$4,050,000 the first year and \$4,050,000 the second year to assist in providing homeless prevention.

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.

Authority: Title 36, Chapters 1.4, 8, 9, and 11; and Title 58.1, Chapter 3, Articles 4 and 13, Code of Virginia.

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)
- Grants administration for the Housing Opportunities for Persons with AIDS (HOPWA) program
- Grants administration for the Virginia Homeless Solutions Program 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) and Continuum of Care Planning grants
- Implementation of the action steps outlined in the Homeless Outcomes Advisory Committee Report and Recommendations
- Staffing of the Governor's Coordinating Council on Homelessness

Anticipated Changes

The Department 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.

Factors Impacting

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.

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.

DHCD and its partners have made significant improvements to the availability and quality of homeless-related data. The availability of this data has improved local planning efforts, having a direct impact on outcomes. DHCD is continuing to improve overall usability of this data, working toward a statewide homeless information system.

Financial Overview

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 budget for this service area for both FY 2019 and FY 2020 is \$10,464,603 in general funds and \$2,572,540 in non-general funds each year.

Biennial Budget

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
Initial Appropriation for the Biennium	10,464,603	2,572,540	10,464,603	2,572,540
Changes to Initial Appropriation	0	0	0	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.

Authority: Title 36, Chapters 1.4, 8, 9, and 11; and Title 58.1, Chapter 3, Articles 4 and 13, Code of Virginia.

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.

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 with serious mental illness. 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.

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. Approximately seventy percent of total housing funding in FY 2019 and sixty-eight percent of the funding in FY 2020 is derived from federal sources. DHCD's budget for this service area for FY 2019 is \$2,524,752 in general fund dollars and \$16,020,000 in non-general funding. The FY 2020 budget is \$4,191,418 in general fund dollars and \$16,020,000 in non-general funding.

Biennial Budget

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
Initial Appropriation for the Biennium	2,524,752	16,020,000	4,191,418	16,020,000
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

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 focused 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 Community Development Block Grant (CDBG) program, Appalachian Regional Commission (ARC) program, the Industrial Revitalization Fund (IRF), 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). Dedicated resources also support asset-based development initiatives, such as the Southwest Virginia Cultural Heritage initiatives that include the Crooked Road, Heartwood, 'Round the Mountain, Appalachian Spring, as well as the Southern Virginia's Creative Economies, the Clinch River Valley Initiative, and The Oyster Trail Initiative. 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.

Authority: Title 15.2, Chapter 13, Article 3 and Chapter 42; Title 36, Chapters 8, 10 and 11; and Title 59.1, Chapter 22, Code of Virginia.

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
- 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 and Implementation
- Community Business Launch
- Opportunity Zones
- 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
- 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
- Increased emphasis on improving communication and partnerships with other state and federal partners
- Support to the Virginia Center for Rural Virginia

Anticipated Changes

As recognition of the importance and significance of the community development 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, Opportunity Zones tax

incentive, 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.

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

Funds expended 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 budget for this service area for both FY 2019 and FY 2020 is \$13,391,236 in general funds and \$4,277,439 in non-general funds each year.

Biennial Budget

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
Initial Appropriation for the Biennium	13,391,236	4,277,439	13,391,236	4,277,439
Changes to Initial Appropriation	0	0	16,350,000	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. This service area is also administering the Virginia Growth and Opportunity Fund (GO Virginia) under the direction of the Virginia Growth and Opportunity Board.

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.

Authority: Title 2.2, Chapter 24, Title 15.2, Chapter 13, Article 3 and Chapter 42; Title 36, Chapters 8, 10 and 11; and Title 59.1, Chapter 22, Code of Virginia.

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
- GO Virginia capacity building grant, regional population-based grants and competitive regional grants are designed to help grow and diversify Virginia’s economy and create higher paying jobs through state financial incentives for regional projects that encourage collaboration between private sector companies, workforce, education and government in each region.

Anticipated Changes

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. In addition, DHCD is implementing GO Virginia under the direction of the Virginia Growth and Opportunity Board and in partnership with the nine GO Virginia Regional Councils that are working with planning assistance to identify the best growth and diversification opportunities for their region and will then seek financial assistance to implement these strategies.

Factors Impacting

Structural changes to individual Planning District Commissions.

Financial Overview

Majority of the funds expended within this service area are allocated to the Virginia Growth and Opportunity fund to encourage regional cooperation on strategic economic and workforce development efforts. Funding for this program consists of approximately 89% and 90% of allocated amounts for FY 2019 and FY 2020, respectively. In addition, this service area includes quarterly payments to the 21 regional Planning District Commissions, and water and wastewater planning and design activities within the southwest region of the state. DHCD's budget for this service area for FY 2019 is \$32,449,251 in general funds and \$1,595,000 in non-general funding. The FY 2020 budget is \$37,449,251 in general funds and \$1,595,000 in non-general funds.

Biennial Budget

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
Initial Appropriation for the Biennium	32,449,251	1,595,000	37,449,251	1,595,000
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 Indoor Plumbing and Rehabilitation Program (IPR), the Southeast Rural Community Assistance Program, Virginia Telecommunication Initiative (VATI), Industrial Revitalization Fund (IRF), 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.

Authority: Title 15.2, Chapter 13, Article 3 and Chapter 42; Title 36, Chapters 8, 10 and 11; and Title 59.1, Chapter 22, Code of Virginia.

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 federal budget cuts would impact the delivery of services.

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 budget for this service area for both FY 2019 and FY 2020 is \$841,403 in general funds and \$17,301,392 in non-general funds.

Biennial Budget

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
Initial Appropriation for the Biennium	841,403	17,301,392	841,403	17,301,392
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Service Area Plan

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.

Authority: Title 59.1, Chapters 22 and 49, Code of Virginia.

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 major changes to products or services.

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

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 budget for this service area is \$13,773,354 for FY 2019 and \$14,773,354 FY 2020; all general funds.

Biennial Budget

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
Initial Appropriation for the Biennium	13,773,354	0	13,773,354	0
Changes to Initial Appropriation	0	0	1,000,000	0

Supporting Documents

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.

Authority: Title 15.2, Chapter 9; Title 27, Chapters 1, 6, and 9; Title 36, Chapters 4, 4.1, 4.2, 6, and 8; Title 58.1, Chapter 36, Article 5; and Title 63.2, Chapter 17, Code of Virginia.

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 budget for this service area for both FY 2019 and FY 2020 is \$498,640 in general funds and \$2,424,262 in non-general funds each year.

Biennial Budget

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
Initial Appropriation for the Biennium	498,640	2,424,262	498,640	2,424,262
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 (VITA), 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.

Authority: Title 36, Chapter 8, Code of Virginia.

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 major changes to its core administrative products or services. The Department will continue to emphasize and maintain excellence in customer service and support new and existing program initiatives.

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. Non-general funds associated with this service area come from indirect cost recovery and are used to fund positions and for technology services including database development. DHCD's budget for this service area for both FY 2019 and FY 2020 is \$2,721,190 in general funds and \$463,759 in non-general funds.

Biennial Budget

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
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Initial Appropriation for the Biennium	2,721,190	463,759	2,721,190	463,759
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 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.

Authority: Title 15.2, Subtitle III, Code of Virginia.

Products and Services

Description of Major Products and Services

- Conducted a two year Annexation Alternatives study to evaluate the structure of cities and counties in the Commonwealth and the impact of annexation upon localities
- 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 Commission's fiscal impact review workload is expected to increase during future General Assembly sessions.

Factors Impacting

The Commission does not control its agenda with respect to inter-local issues and it is required to accept cases as they are presented to it and to complete its review of those cases within statutorily prescribed time frames.

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

Some of the principal data utilized by the Commission is generated by other state agencies, institutions of higher education and local governments. 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 budget for this service area for both FY 2019 and FY 2020 is \$350,291 in general funds and \$0 in non-general funds each year.

Biennial Budget

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
Initial Appropriation for the Biennium	350,291	0	350,291	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**