



**Vibrant Community Initiative
2016-2017**

*Pre-Application Due: October 28, 2016
Full Application Due: TBD (tentatively February 2017)*



Purpose

The Vibrant Community Initiative (VCI) will combine multiple funding sources to support local or regional comprehensive community-based projects including affordable housing and community and/or economic development components.

Funding Level

Funding for VCI includes a portion of the annual CDBG and HOME allocations and State Housing Trust Funds resources administered through the Department of Housing and Community Development (DHCD). VCI funding also includes resources made available through Virginia Housing Development Authority (VHDA).

Approximately \$4.5 million in state and federal resources will be set aside to provide project financing for VCI. It is anticipated that VCI will fund two - three projects (up to \$ 2.25 million each). Funding resources include \$2 million in CDBG, \$1 million in HOME funds, \$1 million from the Virginia Housing Trust Fund, and \$500,000 from VHDA. DHCD reserves the right to include other resources based on need and availability.

Please note that VCI is intended to fund new efforts.

Leverage and Match Requirements

Proposals that leverage other federal, state, and local resources will be given priority scoring to the degree that these other funds are leveraged in the project. Leverage may include dedicated local resources that will be used for project planning, coordination, and implementation.

Each project requires a 25 percent match in locally controlled resources based on the total amount of VCI funding included in the project. The match must be for hard costs only and may include locally controlled CDBG or HOME funds, fee waivers, local government resources, donated real property, and/or other local funds (e.g. local foundation). DHCD may consider the value of a loan required for a component of the comprehensive project. The loan must require repayment. Documentation of the repayment requirement including loan terms must be submitted with the pre-application for DHCD consideration.

Applicant Eligibility

The selection of projects will be implemented in a two-phase process. The first phase is the pre-application. Applicants submitting pre-applications best aligned to meet VCI goals and local needs will be identified through a panel review of all pre-applications received by the pre-application due date (October 14, 2016). The second phase will be the submission of full applications. Full applications will only be accepted and reviewed

for those applicants who submitted pre-applications and are explicitly invited by DHCD to submit a full application.

DHCD will solicit pre-applications from units of local government, housing developers (nonprofit and for-profit), housing authorities, and other local and regional housing, community, and/or economic development organizations.

Applicants with outstanding audit findings, IRS findings, DHCD monitoring findings or other compliance issues will not be considered for VCI. Please note that DHCD will work with all interested parties, where appropriate, to resolve findings and compliance issues.

Applicants and any key partners must be registered in DHCD's Centralized Application Management System (CAMS) and have submitted their current annual audit or as applicable their reviewed financial statement through CAMS in order to be considered for VCI.

Project Eligibility

DHCD seeks pre-applications for projects serving urban and rural areas within Virginia, but reserves the right to select projects that allow for maximum usage of the available resources.

Following the pre-application, DHCD will request full applications for comprehensive projects from select applicants. Applications must clearly describe the overall comprehensive project and all project activities. A comprehensive project is a project that includes a range of activities such as neighborhood revitalization, downtown redevelopment, homeowner rehabilitation, down payment assistance, rental project development, water/sewer, and/or other infrastructure.

The pre-applications will be reviewed by a panel and selected for the full application phase based on the following criteria:

- A plan and initial groundwork in place on a comprehensive project that includes at least a housing component;
- Demonstrated success with similar projects;
- Partnerships in place to execute the project; and
- Demonstrated capacity (financial and development team experience).

Those pre-applications selected for the full application phase must submit the full application in CAMS by the deadlines (TBD –tentatively February 2017) to be evaluated based on the following scoring criteria:

- Alignment
- Need
- Project Readiness
- Capacity

Alignment

The alignment criteria is intended to select projects that are closely aligned with CDBG, HOME, state, and federal outcomes and objectives. Projects that are strongly aligned must address state [Consolidated Plan](#) priorities. In addition, applicants should clearly articulate how the proposed project will address policy objectives outlined in [Executive Order Number Thirty-Two: Advancing Virginia's Housing Policy](#) as well as in any applicable local and/or regional plan.

Proposed project costs must be appropriate, reasonable, and aligned to meet these priorities.

Need

Applications for funding will be evaluated based on the degree to which the comprehensive project and project activities are designed to meet identified local need(s). Please note local needs must be demonstrated by a local market analysis or needs assessment. Priority will be given to projects based on the needs it seeks to address and to the degree to which the project is positioned to address the proposed needs and also address CDBG, HOME, state, federal, and Consolidated Plan outcomes and objectives:

- Preservation of existing affordable rental units
- Preservation of existing affordable homebuyer units
- Creation of new affordable rental units
- Creation of new affordable homebuyer units
- Creation of integrated community housing units targeting special needs population
- Employment/infrastructure/community services that primarily benefit very low/ low/ and moderate income households
- Blight removal as a part of a larger revitalization project

Project Readiness

Applications will be reviewed for project readiness. This includes an assessment of the project status, timeline, and a review of project challenges and potential barriers. An assessment of costs and the status of other funding commitments will be included in the evaluation of overall project readiness.

Project readiness will also be measured in terms of the level of stakeholder involvement in needs assessment, planning and design. Applicants should clearly describe what stakeholders were involved in the process and how these participants contributed to the project overall.

Please note that project readiness is a key factor in determining which projects will advance in the VCI selection process. Subsequent rounds of VCI are anticipated and projects in initial development and planning phases are encouraged to seek other resources including DHCD CDBG planning grants and/or VHDA resources to prepare for a subsequent round of VCI applications.

Capacity

Applicant, partner, and development team capacity will be a scoring factor in application reviews. DHCD's intention is to select projects where there is existing development, project management, and financial capacity to help assure project progress and successful completion. Please note applications must describe existing resources for project planning, coordination, and implementation. This should include identifying any dedicated resources and identified project management resource gaps.

Activities

Eligible projects must include a housing component as a key or significant part of the overall project. These projects must be structured to meet identified local needs and address state and federal goals and objectives (see *Alignment* and *Need* on the previous page). Eligible VCI activities include but are not limited to the following:

Affordable Housing

Projects must include affordable housing activities. Preference will also be given to project seeking to provide transit and/or job oriented housing and/or housing with units targeted to individuals with disabilities. Applications must be able to describe how the project will de-concentrate poverty and provide access to opportunities for low income residents. Special consideration will be given to any project which includes universal design and/or green building components. Eligible affordable housing activities include:

- Homebuyer Direct Assistance, down payment and closing cost assistance (targeting to 80 percent or below AMI)
- Homebuyer Rehabilitation (targeting 80 percent or below AMI)
- Homebuyer New Construction (targeting 80 percent or below AMI)
- Homeowner Rehabilitation (targeting 80 percent or below AMI)
- Rental Rehabilitation (targeting 60 percent or below AMI)
- Rental New Construction (targeting 60 percent or below AMI)

Economic Development

Applicants are strongly encouraged to address a range of priority community needs, including conditions affecting the economic environment. Project activities which create jobs and business opportunities and/or create better economic conditions through the elimination of slum and blight will receive additional consideration. Please note proposed projects must also include a housing component.

Eligible economic development activities include:

- Job Creation/Retention
- Site Redevelopment
- Business Readiness
- Business District Revitalization

Community Facilities/Services

Eligible projects may also include activities that provide critical facilities and/or services targeted to low/moderate income households. Please note proposed projects must also include a housing component. Eligible community facilities/services activities include:

- Water/Sewer
- Health Clinics
- Workforce Development Centers
- Daycare Centers (associated with employment)

Timeline (Tentative)	
Release of guidelines and pre-application	August 31, 2016
How to Apply Workshops	End of August 2016
Pre-application due date	October 14, 2016
Pre-application reviews (target date)	October 31, 2016
Site Visits	November/December
Invitation for full application (target date)	Mid - November
Full applications due	February 2017
Application reviews (target date)	March 2017
Contract Negotiations	March – June, 2017
Project Under Contract (goal)	July 1, 2017

Application Process

Pre-applications will be accepted on or before October 14, 2016. All pre-applications must be submitted to DHCD through the online application and project management system called [CAMS](#) (Centralized Application and Management System). Please allow for up to two business days for responses to any CAMS help desk request. Applications must be submitted in CAMS on or before 11:59 PM, October 14, 2016.

All pre-applications received by the deadline will be reviewed against established criteria to identify those projects best positioned to meet priority needs within Virginia. Applicants may request a debriefing on any unsuccessful pre-applications.

Please note that DHCD technical assistance is limited to normal business hours.

For questions or more details please contact:

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