

## FY23 IRF Planning Grants

The Industrial Revitalization Fund (IRF) encourages economic development and investment through the renovation of vacant and derelict structures in Virginia. Each year, the program awards funding to localities throughout the state to assist market-driven projects that eliminate blight and revitalize our communities. The success of the IRF program over the past nine years, as well as the need to support COVID-impacted industries, communities, and people, has led to expanded funding through the **American Rescue Plan Act**.

Since 2012, IRF has awarded funding to 38 projects in 33 communities, helping to create over 460 new jobs and leveraging over \$86.5 M in private investment. The program targets projects that will be particularly catalytic to their communities, and has seen growing interest and applications in recent years. Only local governments and economic or industrial development authorities may apply for funds. The expanded funding will allow the IRF program to assist more impactful projects across the state and help mitigate the economic impact of the pandemic. It will maintain the program's core mission of economic development through renovation projects, but also provide updated guidelines and enable more projects to qualify.

Planning grants will be available to help bolster early stage projects, enabling feasibility studies and other planning-related activities for potential IRF applicants in the spring of 2023.

The planning grants will allow communities to identify, prioritize, and plan for the rehabilitation of significant “white elephant” buildings or structures. These buildings are vacant and/or deteriorated properties whose poor condition creates a notion of physical and economic blight in the surrounding area, which is often a deterrent for development. The purpose is to identify the highest and best use of such properties and develop any necessary plans or studies, which will allow the owner to develop the property and create a more detailed plan and application for full IRF funding. Potential planning grant activities could include conducting a survey and inventory of vacant and blighted properties, preliminary design reports and renderings, building code and zone assessments, pro forma development and construction estimates, market demand studies, and gap-financing research as needed for identified properties; however, all projects which meet eligibility guidelines will receive consideration.

Planning grants are for use in projects which will ultimately qualify for the ARPA-expanded IRF program funding, and are intended to support future applications for IRF funding. Planning grant funds will not be awarded for continuing operations, program administration, payroll, debts, or any other operational expenses. Funds may not be used to cover marketing or printing costs.

### Award Amounts

The planning grant round will be limited to \$1,000,000 and be used to support the development of projects to be considered for future rounds of IRF funding. Award amounts will be based on expressed project needs, with no project receiving funds exceeding \$100,000.

## Allowable Activities

Included below is a list of allowable activities for IRF Planning Grant Applications. Please note that an application may propose multiple activities as part of one grant request. This is not an exhaustive list, but it is intended to provide a starting point for potential applications.

- Survey of vacant and blighted structures that identifies and prioritizes a handful of key properties that would be IRF/ARPA potential projects
- Code and zoning assessment
- Building programming: identification of highest and best use
- Building surveys
- Pro forma development
- Construction budget development
- Preliminary design concepts and basic rendering sketches
- Professional market demand study for proposed new building use
- Structural, lead hazard assessments or other assessments designed to ensure safe and healthy environments for future uses
- Assessment of all available incentives and tax credits
- Letters of Intent (LOIs) for Historic Tax Credit investors, where applicable or available
- Financing plan
- Identification of tenants or end users

## Anticipated Outcomes

IRF Planning Grants are being awarded to help develop products in support of specific projects that are then able to qualify and apply for full IRF funding.

## Leverage Requirement

No match is required for Planning Grants; however, it may be necessary to secure additional leverage funding from other resources in order to meet all components needed to determine feasibility and full assessment of the property.

## Project Implementation Period

**January 1, 2023 – April 30, 2023** (final report due); all disbursements must be completed by June 30, 2022. A final report through CAMS is required.

## Grant Eligibility

Only local governments (city, county, or town) or local economic or industrial development authorities may apply on the project's behalf. Localities may designate a redevelopment authority or other similar organization as the designated agent for implementation and administration of activities.

Eligible properties and structures may be redeveloped for any market-driven purpose including mixed-use, regardless of the original use. For purposes of IRF, mixed-use is defined as “a building incorporating residential uses in which a minimum of 30 percent of the usable floor space will be devoted to commercial, office, or industrial use or in which 30 percent of the projected project

revenue is derived from the commercial space.” It is not the intent of the IRF Program to fund new construction or the development of greenfield properties, unless done in coordination with the redevelopment of an eligible vacant or deteriorated property.

### **DHCD will open applications on September 1, 2022 and accept them until November 4, 2022.**

Applicants will be required to attest to their eligibility for ARPA funds. Projects seeking funding must address a harm caused by COVID-19 pandemic, or a harm resulting from or exacerbated by the economic disruption caused by the COVID-19 pandemic. Applicants should 1) identify the need created or exacerbated by the pandemic and 2) how their project seeks to remedy that need.

Furthermore, applicants must also attest to how their project will support individuals, communities, or industries that faced disproportionate public health or economic impacts from the COVID-19 pandemic. For purposes of the IRF application, applicants should take a broad view when defining “disproportionately impacted” individuals, communities, or industries. Considerations could include the racial, ethnic, socioeconomic, geographic and/or other characteristics related with the individual, community, or industry associated with the project.<sup>1</sup> Additionally, an applicant should specify if the project is located within a “[Qualified Census Tract](#),” which will automatically designate them as serving a disproportionately impacted group. Applicants are encouraged to consult the [Final Rule](#) and the [associated FAQ](#) (particularly questions 2.17 and 2.18) for additional guidance.

All applicants must comply with DHCD’s financial auditing requirements by uploading a copy of the organization’s W-9 and a copy of the organization’s most recent audit or financial statements, as applicable, to CAMS with the grant application. See the [DHCD audit policy](#) for more information.

### **Characteristics of a Strong Application**

A strong application will clearly explain how the funded activities will contribute to the timely redevelopment of the proposed building or buildings as well as the anticipated economic benefits.

An effective application will indicate the strong likelihood of redevelopment and ability to apply for IRF/ARPA full funding once the planning grant is completed.

### **Grant Selection**

Grant proposals are awarded on a competitive basis and will be reviewed in November 2022. Grant funds are limited and only those proposals exceeding the minimum 70-point threshold will be considered for funding. The project scoring methodology is as follows:

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<sup>1</sup> For example, a project with an intended end use in the hospitality and/or tourism industry can claim eligibility by stating that their industry faced disproportionate impacts due to the COVID 19 pandemic. Alternatively, a project located in a low-income or primarily minority neighborhood, which faced disproportionate public health and economic harms caused by the pandemic, can claim eligibility by stating their location in that community. This is a non-exhaustive list, and applicants are encouraged to consider the wide array of impacts of the pandemic in their attestation and to take the broadest definition when considering their application.

Scoring Criteria	Points
Project's relationship to IRF / ARPA vision	15
Likelihood of future redevelopment	30
Impact of the building on the surrounding area	25
Organizational capacity/readiness	20
Realistic work plan for project	10
<b>Total</b>	<b>100</b>

## Grant Payment

Funding will be reimbursed on a performance basis. Upon notification of a planning grant, the locality and DHCD will negotiate a Memorandum of Understanding outlining the activities that can be covered by the funding. Remittances will be processed through CAMs, with DHCD reviewing and approving expenses then issuing a reimbursement.

If a planning grant is awarded, DHCD reserves the right to end funding at any point should the project prove nonviable. This includes, but is not limited to, lack of progress in conformance with the approved Memorandum of Understanding.

## Submission Requirements and Instructions

Applications with supporting documentation must be submitted electronically through the Agency's Centralized Application and Management System (CAMS). Applications will be accepted until midnight on Friday, November 4, 2022. To access CAMS, visit the website at [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov) and click on the CAMS icon in the upper-right hand corner. Please note: Technical support for CAMS is available weekdays between 8:30 am and 4:30 pm.

**Google Chrome is the recommended browser for CAMS. Remember to SAVE often.**

Applicants must submit completed responses to all applicable questions and include all required attachments.

## Application Instructions

The application in CAMS will require the organization to complete each tab:

1. **Project Information:** Include the primary point of contact and primary location of the project. Please ensure that the project location is listed, not the address for the locality's offices. If the project proposes studies for multiple locations within the locality, please list one on the project information tab, and include the full list of locations in the narrative questions.
2. **Project Budget:** Complete budget information, including grant requested funding and other match funding, as applicable. Within the budget narrative space, describe how the budget was derived and sources of other funding.
3. **Narrative Information:** Answer narrative questions related to the project, timeline, budget and outcomes (see the questions below).

4. **Attachments:** Upload multiple supporting documents as attachments (see required and optional attachments below).
5. **Additional Information:** This is not required, but if you have additional information to describe or share that was not requested in the application, please include it here.

### Project Description

Enter the following information into the relevant text box within the Narrative Information tab on CAMS. Please limit responses to no more than 300 words per text box (about one written page).

1. Provide a description of the property or properties. Confirm if your project is in a Qualified Census Tract (QCT), and if not, provide the Distress Score (see Exhibit A) Include the locations, any historic uses and the current uses. Briefly describe the future plan and vision for the property.
2. Explain how this project specifically seeks to remedy certain community needs created or exacerbated by the COVID-19 pandemic. Describe how the project will support individuals, communities, or industries that faced disproportionate public health or economic impacts from the pandemic. Include information on the end-user or proposed end-user, if available.
3. Identify any threats and opportunities posed by the property or properties to the ongoing revitalization of the community and what effect redevelopment will have on the overall area.
4. Discuss current property ownership and willingness of the current property owner or owners to facilitate a planning grant and the potential future redevelopment of the property.
5. Briefly describe who will be working on implementing the planning grant and their experience in this area. Please describe the activities that they would conduct for the project as specifically as possible.
6. Please describe how the activities included in the planning grant would better position the project for an IRF implementation grant.
7. Discuss how the local and regional developer community, as well as property owners, will be engaged as a part of this project.

### Attachments - Required Supporting Documents

1. **Project Work Plan:** Provide an effective and appropriate work plan for the project that includes tasks, responsible individuals, timeline, and budget. Please be as specific as possible in the breakdown of individual tasks proposed as part of the grant.
2. **Budget/Cost Estimates/Leverage Documentation:**
  - a. Project Budget – Provide a project budget that includes all project related line items for expenditures and all project related line items for funding sources. Please break down line items as specifically as possible.
  - b. Explanation of Cost Estimates – Provide detailed information on the source of the cost estimates and the date the estimates were received.
  - c. Leverage Verification (\*not required\*) – Provide verification of leverage funds including contracts, Memorandums of Understanding/Agreements, award letters,

and other documentation that confirms the commitment of other resources for the project.

3. **Visual Documentation:** Upload any photographs of the building and a map showing the condition and location of the property must be submitted.
4. **Plans/Studies:** Submit any studies or additional background information that have already been completed on the property.

## EXHIBIT A: DISTRESS SCORES

Pre-calculated Distress Scores for Cities and Counties:

<b>Highly Distressed = 150 Application Points</b>			
Bristol City	Franklin City	Lexington City	Prince Edward County
Brunswick County	Galax City	Martinsville City	Radford City
Buchanan County	Greensville County	Newport News City	Richmond City
Covington City	Hampton City	Norfolk City	Roanoke City
Danville City	Harrisonburg City	Norton City	Sussex County
Dickenson County	Hopewell City	Petersburg City	Wise County
Emporia City	Lee County	Portsmouth County	
<b>Above Average = 100 Application Points</b>			
Accomack County	Cumberland County	Montgomery County	Smyth County
Alleghany County	Essex County	Northhampton County	Staunton City
Bath County	Fredericksburg City	Nottoway County	Tazewell County
Buckingham County	Grayson County	Page County	Waynesboro City
Buena Vista City	Halifax County	Patrick County	Winchester City
Carroll County	Henry County	Pittsylvania County	Williamsburg City
Charlotte County	Lunenburg County	Pulaski County	Wythe County
Charlottesville City	Lynchburg City	Russell County	
Colonial Heights City	Mecklenburg County	Scott County	

<b>At Risk = 50 Application Points</b>			
Alexandria City	Culpeper County	King William County	Roanoke County
Amelia County	Dinwiddie County	Lancaster County	Rockbridge County
Amherst County	Floyd County	Louisa County	Rockingham County
Appomattox County	Fluvanna County	Manassas City	Salem City
Augusta County	Franklin County	Manassas Park City	Shenandoah County
Bedford County	Giles County	Mathews County	Southampton County
Bland County	Gloucester County	Middlesex County	Spotsylvania County
Campbell County	Greene County	Nelson County	Suffolk City
Caroline County	Henrico County	Northumberland County	Surry County
Charles City County	Highland County	Orange County	Virginia Beach City
Chesapeake City	Isle of Wight County	Prince George County	Warren County
Chesterfield County	James City County	Prince William County	Washington County
Craig County	King and Queen County	Richmond County	Westmoreland County
<b>Not Distressed = 0 Application Points</b>			
Albemarle County	Fairfax County	Hanover County	Poquoson City
Arlington County	Falls Church City	King George County	Powhatan County
Botetourt County	Fauquier County	Loudoun County	Rappahannock County
Clarke County	Frederick County	Madison County	Stafford County
Fairfax City	Goochland County	New Kent County	York County

