

Central Shenandoah Planning District Commission
PDC Housing Development Program and Regional Data Overview
Regional Roundtable FAQ

PDC Housing Development Program

Q: What is the affordability period requirement? Is it similar to the Low-Income Housing Tax Credit (LIHTC) affordability period of 15 years? Is the CSPDC looking for to ensure that the units remain affordable?

A: Virginia Housing has not designated a set affordability requirement. We want to ensure that units funded through this grant are not constructed and then quickly converted into market rate units. The affordability period of each proposed project may vary, but please describe plans to keep units affordable and for how what period of time in your application.

Q: Are projects that offer units to households with incomes lower than 80% Area Median Income (AMI) more competitive? For example, 30% AMI?

A: With this grant funding, we are looking to serve a spectrum of affordability needs. Projects that serve deeper levels of need, such as 60% AMI, 40% AMI, etc. will be viewed favorably. However, projects that are serving households at 80% AMI will still be fully considered for grant funds. Units for homeownership may be more feasible for households at 60-80% AMI.

Q: Would the acquisition of a motel (in active, current use) to be quickly converted to efficiency units for 5+ Permanently Supportive Housing units be eligible?

A: Units that are currently in use are ineligible. Because the motel is currently in use, it would not be eligible for these funds. A *vacant* motel in need of rehabilitation to convert to permanently supportive housing would be eligible for these funds.

Q: The criteria said that units proffered as part of a rezoning are ineligible. In a development where 10 out of 50 units were proffered for affordable housing, would the remaining 40 be eligible for grant funds.

A: Yes, as long as at least 50% of those units are available to households at 80% AMI or less.

Q: What is the next step for applicants?

A: RFP guidance will be released on our website's [Housing page](#) on Wednesday, December 15th. This information will help applicants prepare for the application, which opens on January 3rd. In the meantime, reach out to Housing Program Manager, Olivia Raines, at olivia@cspdc.org.

Q: Is funding available for property acquisition?

A: Yes, \$500,000 of the \$1.65 million in program implementation funds are available for land and building acquisition. These funds are limited, and would be allocated to applicants that have done proper due diligence for the project and are prepared to move forward with the construction process.

Q: Can these funds be used for rehabilitation?

A: Yes, funds are available for the rehabilitation of units that are currently vacant and need rehabilitation in order to be brought online as affordable units.

Q: Can I leverage other funding sources with this grant?

A: Yes, you are able to leverage multiple funding sources for projects. We encourage projects to seek additional funding sources to move their project forward. However, projects that have already closed their financing are not eligible for these grant funds.

Q: Would we need to have acquired the property before applying for funds for rehabilitation?

A: Site control is preferred, but not required. Applicants will need to demonstrate that the project can be completed by July 1, 2024.

Q: Is working in multiple jurisdictions positive or negative?

A: Neutral. If one organization intends to request funds for multiple developments, those must be submitted as separate applications.

Q: Projects that are “already in the pipeline” are ineligible. What does a project being “in the pipeline” mean?

A: These funds are intended for projects that need additional gap funding to move forward. The project stage does not matter; a project could be in its initial site planning phase, or have completed its first phase of construction – the key is if the project needs additional gap funds. If an applicant has all the funds required to move forward, the project is considered “in the pipeline.” In other words, these funds can not be used to replace funds already committed.

Q: What is the locality’s role? How can they help move these projects forward?

A: If projects are able to leverage multiple sources of funds or financial incentives, this can help to make a project more competitive. A locality might waive fees, provide water or sewer infrastructure, etc. This would serve as an ‘in-kind’ match for the project – the locality would not receive CSPDC funds to provide these financial incentives. Additionally, the locality can help by voicing support for proposed projects and helping to connect potential applicants to PDC staff.

Q: Does the PDC anticipate more funding available for affordable housing in the future, beyond the current allotment?

A: The PDC Housing Development Program is a pilot project through Virginia Housing. Once the period of performance is complete, Virginia Housing will evaluate its effectiveness and determine if future allocations will be made.

Q: Can projects be public-private partnerships?

A: Yes.

Q: With the pre-development deadline of September 2022, is there time for applicants to acquire sites?

A: Acquisition funds are limited, and will only be awarded to projects that will be able to move forward in a timely manner. The September 2022 deadline pre-development is set to ensure that projects are completed and move-in ready by July 1, 2024. However, the pre-development timeline can be extended by one year in exceptional circumstances to September 2023. If projects are not in pre-development by September 2023, grant funds will be terminated.

Q: Is the grant funding available to rural areas?

A: Yes. The intent of this funding is to fund projects in both urban and rural areas, as well as single family and multifamily, rental and homeownership opportunities. We intend to spread the funds across our region as much as possible.

Q: How can these funds be used to address homelessness?

A: While the funds can not be used for emergency shelters or tenant-based programs (such as rental assistance), funds can be used toward the construction of permanent supportive housing and single room occupancy (SRO) units.

Q: Are private developers eligible?

A: Yes.

Q: What if the existing housing is substandard housing?

A: Funds cannot be allocated to housing that is currently in use and/or habitable.

Regional Housing Data Overview

Q: Have short term rental properties impacted housing inventory?

A: CSPDC staff has not seen any data on this yet and will look for any available data. Anecdotally, we are hearing that many units are being taken off the market as seasonal and second homes as well as Airbnb properties. Additionally, with the move to remote work, we are seeing a more mobile population that wants to work remotely in more scenic, recreational areas. This will impact our housing inventory.

Q: How are you connecting economic development to the creation of the affordable housing?

A: Primary focus is affordable housing for our region's workforce. There are many employers in our region that struggle with affordable housing options that allow them to attract and retain employees. Affordable housing is essential to attracting industry.