



## MEMORANDUM

**To: Members of the Rappahannock-Rapidan Regional Commission**  
**From: Patrick L. Mauney, Executive Director**  
**Date: October 20, 2021**  
**Subject: PDC Housing Development Program**

Staff will provide an update on activities related to implementation of the PDC Housing Development program and planned work over the next month.

An introductory meeting was held on September 20<sup>th</sup> and information has been posted to the program webpage at <https://www.rrregion.org/housingdevelopment>

To date, the PDC Housing Development Program has generated initial interest in projects across the region. Initial indicators suggest that the projects are targeting low and extremely low-income households.

Staff has developed the following as part of the program development:

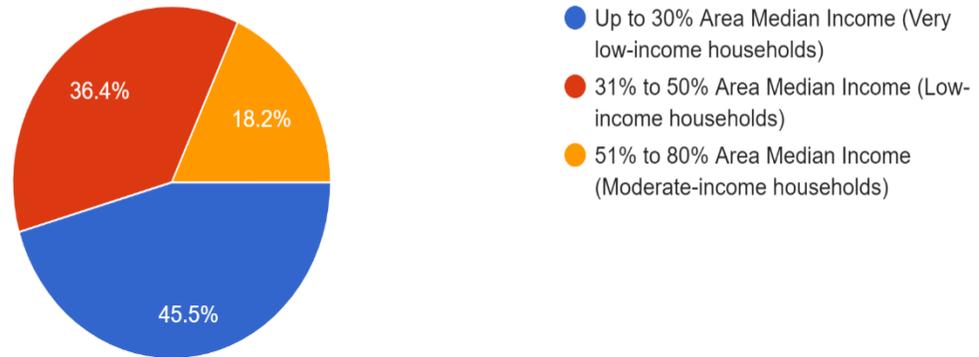
- Phase and Task timeline
- PDC Grant program guidelines
- Proof-of-concept template for Request of Information
- Partnership guidelines
- Outreach survey (results following)

Commission staff conducted a survey as part of the outreach to localities, potential partners, and stakeholders working in the housing realm. In general, responses referenced the following priorities:

- Indicated interest in well-placed cluster housing models, missing middle housing development, and diverse housing models, such as ADU's, infill, and smaller scaled housing options.
- Innovative and well-planned housing options, potentially based on European models, that provides affordable housing and is land efficient, preserving the rural nature of counties.
- Planned and well-designed housing that addresses the health and well-being of residents.
- Housing is needed in or on the periphery of Towns, near services and shopping, and features mixed-income development for low-to moderate income households.

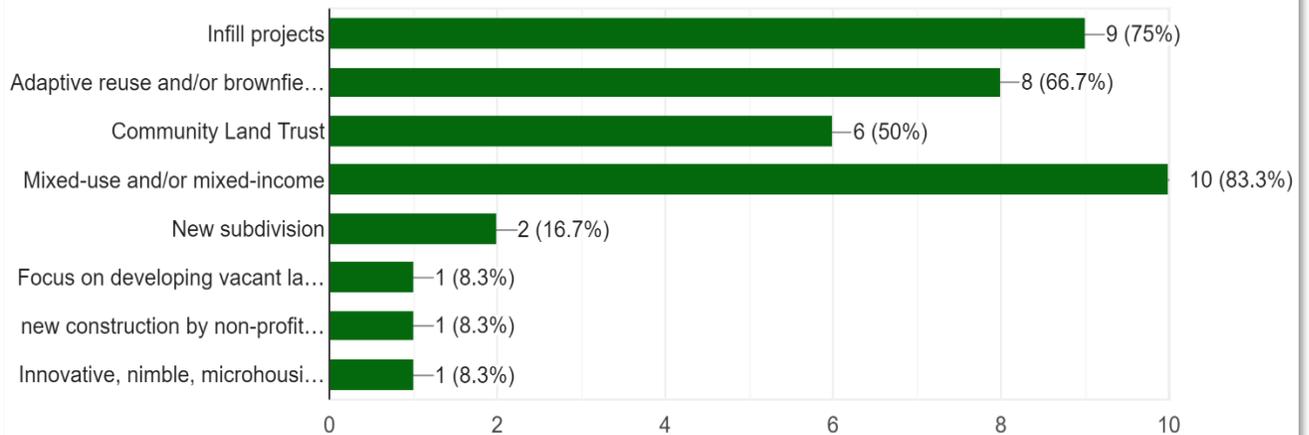
- High level of interest in addressing housing needs in the region locally or regionally including interest in a housing workgroup and a private-public partnership.

Who (which households) do you think would be best served by projects funded through this grant?



What strategies do you think should be implemented regionally? (you may check more than one box)

12 responses



**REQUESTED ACTION:** No formal action requested. Discussion of regional priorities is anticipated.

## ***Rappahannock Rapidan Regional Commission PDC Housing Development Grant Guidelines***

RRRC staff is in the process of developing a housing development program in accordance with Virginia Housing priorities and the PDC Housing Development Grant. Program guidelines are developed to inform and provide guidance on the program expectations and goals for reference by interested parties who may be requesting grant funding for housing development projects.

### **Background**

The RRRC is seeking to provide support for housing development projects that match Virginia Housing Guidelines and housing goals. Ideal projects would also fit within the context of regional housing priorities and be supportable by Towns and County governments. Based on the PDC Housing Development Grant (PDC Grant) expectations and guidelines, the RRRC has committed to the production of at least 20 new housing units. These units must be designated for occupancy by households earning 80% Area Median Income (AMI) or less, based on each county's unique AMI. While a range of housing is needed across a wide spectrum, this indicates that a mix of rental and owner-occupancy units for low- to moderate-income households would fit within the grant criteria.

### **Goals and objectives**

RRRC staff has determined that priorities and strategies will be developed based on identified key initiatives supportable by local governments. Key initiatives, based on localities' comprehensive plans indicate:

- A mix of housing, including single-family and multi-family is needed, but single-family is the preferred type of unit development.
- Traditional neighborhood development, context sensitive infill, and building mass form must be compatible to preserve/ protect neighborhood character.
- Infill projects within Town boundaries, complementing the context of the surrounding neighborhoods, may be preferable over mass subdivisions.
- Various housing types to meet the needs of diverse households, including income and composition, are preferred.
- Missing middle and workforce housing are preferred to address the needs of existing residents.
- Mixed-use and mixed-income housing models are appropriate in certain zones; under the terms of the PDC grant must contain at least 60% of the square footage as residential and a minimum of 50% of housing units for households earning under 80% AMI.

Resulting from a recent survey and the Regional Housing Study RRRRC staff identified the following regional housing priorities:

- Developing a range of diverse and workforce housing to meet the needs of existing residents and/or attract first responder and government service workers (i.e., teachers, firefighters, nurses, medical aides, etc.) to live where they work.
- Encouraging or enabling housing development in designated growth areas, adjacent to employment opportunities, services, shopping, and public transportation.
- Increase Ownership occupancy: Overall, households making between \$50,000 and \$75,000, or a range of households in the 40% to 90% AMI band depending on where they live in the region and the composition of the household, may be ready for homeownership. Housing units developed with ownership in mind reduces demand for rental units and lessens housing cost burdens over time for occupants/residents as household income increases.
- Increase rental opportunities: Across the region approximately 40% to 58% of renter households are housing cost burdened indicating a need for lower cost rentals for households earning between \$25,000 and \$50,000 or 20% to 60% AMI depending on where they live in the region and the composition of the household.
- Increase single and dual occupancy housing units with universal design principals for seniors and underhoused populations.
- Seek to support and implementation at the local level innovative, eco-friendly, and community building housing and/or mixed-use and/or mixed-income projects.
- Seek to support infill and property remediation, adaptive reuse or rehabilitation as necessary to increase housing units and subtle density.
- Seek to support construction development strategies that include flexibility of new construction methods and/ or sustainable and low-maintenance materials

Expected outcomes to be determined by accepted project proposals that meet assessment criteria.

### **Request for Information (RFI) and Request for Proposals (RFP) grant application**

Between November 2021 and January 2022, RRRRC staff anticipates to begin a two-step process to solicit parties interested in partaking / utilizing PDC Grant funds for affordable housing projects within the five-county footprint. The process is anticipated to begin with proper announcement in accordance with the Commission's policy.

Project proposals, beginning with a RFI providing a proof-of-concept, may be accepted on a rolling basis, due by the 28<sup>th</sup> of each month for consideration the following month. Potential applicants can expect the RFI process to be conducted over a two-week period following the 28<sup>th</sup> due date. Projects that meet PDC Grant criteria will be notified between the 15<sup>th</sup> and 20<sup>th</sup> of the following month.

Following the RFI, applicant will be required to provide a proof-of-concept which must consist of an outline and information brief of their project to indicate interest in receiving PDC Grant funding. Following applicants' demonstration that proposed project meets PDC Grant criteria, a RFP invitation to formally apply will be provided. The due date will be established at the time of the individual RFP. Applicants will recognize that this is a competitive process and applications must be limited to one funding request per proposed project. This process shall continue until funds are properly earmarked and/or exhausted in accordance with Commission and/or Virginia Housing policy.

## Project analysis and selection

RRRC will oversee the selection process including notification, review, selection and contract award. The review and selection part of the process may include participation of qualified reviewers. RRRC has determined that projects will be considered through a two-step process and on a case-by-case basis if established project assessment criteria are met. PDC Grant criteria will be outlined in the RFI and RFP announcement process.

Project approval and selection will be defined by restrictions and allowances based on the PDC Grant guidelines as specified by Virginia Housing and regional housing priorities. The project analysis process may be subject to competitive components as follows:

- Projects designed with diverse housing types that innovatively address missing middle and workforce housing needs.
- Projects incorporating innovative building practices, designs, and social capital building features.
- Projects implementing green building practices, and innovative eco-friendly designs.
- Projects demonstrating an intent to reinvest revenue gained from grant supported housing units back into development of additional units.
- Projects demonstrating good faith outcomes in accordance to PDC grant criteria.

## Award process

RRRC will oversee and may orchestrate the award process. Virginia Housing PDC Grant funds are to be administered as a one-time grant from Virginia Housing via RRRC to selected development partners. All applicants will understand that funds will be distributed on a reimbursement request process according to Virginia Housing guidelines. Reimbursement details and schedule will be provided in the RFI and RFP process.

All project awards will be conditional upon the grant funding request application and competing projects. Projects seeking other funding sources, such as LIHTC, may receive conditional awards contingent on a successfully awarded application.

A successful application will demonstrate the ability to meet certain criteria as set forth by the PDC Grant and RRRC project criteria. Upon successful application of projects whose proposals are selected will be able to:

- Begin pre-development process between June and August 2022.
- Demonstrate ability to complete project by June 2024 will be invited to formally apply for grant funding.