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**Exhibit A Executive Summary**

**New River Valley HOME Consortium**

Though mostly rural, the New River Valley (NRV) of Virginia (the Blacksburg-Christiansburg Metropolitan Statistical Area) is among the fastest growing regions in the state and is facing growing housing access and affordability challenges resulting from decades of underproduction. Even moderate-income households in the region are now frequently housing cost-burdened, paying more than 30 percent of their incomes on housing, and lower income NRV households are increasingly at risk of becoming homeless.

Though individual NRV jurisdictions operate in unique development and political contexts that often require individualized responses, the common roots of the region's housing crisis and the barriers to its solution have necessitated and generated a collective response. NRV jurisdictions – Floyd, Giles, Montgomery, and Pulaski Counties, the City of Radford, and towns including Blacksburg, Christiansburg, Dublin, Floyd, and Pulaski – have taken concrete actions jointly and individually that demonstrate their strong commitment to improving housing policy and to enabling residential development to meet local needs. Unfortunately, major barriers prevent the implementation of solutions both for areas where low-cost housing is most in demand and for populations that are the most needy and difficult to serve.

A PRO Housing grant will enable the NRV HOME Consortium to deepen its collaborations with local jurisdictions to overcome barriers to implementing the following solutions that will permanently increase housing production and affordability, particularly for low- and moderate-income households, and that will permanently improve access to supportive housing units and services in the region.

1. *Modernization of housing regulations, including zoning ordinances and building codes to reduce development costs, increase housing production, and incentivize the development of low-cost units:* By modernizing housing regulations and stimulating production of lower cost units in the region's top population and job centers – Montgomery County, Blacksburg, and Radford – more people employed in these jurisdictions will have the ability to live in walkable neighborhoods near their jobs, and fewer will be forced to seek more affordable housing in the balance of the region, relieving pressure on home prices and rents in lower cost, more rural portions of the NRV.
2. *Deploy a regional supportive housing system and permanent supportive housing (PSH):* By overcoming public misunderstanding of supportive housing and acquiring financing for site acquisition and predevelopment costs, the NRV will be able to develop its first PSH units and deploy a permanent regional supportive housing system built on the foundation of the strong network of service providers already in place.
3. *Replicate, expand, and share:* In addition to the direct benefits of the regulatory reforms and PSH deployment, the lessons learned through the consultations, public engagement, and initial supportive housing work undertaken through this PRO Housing grant will enable the NRV HOME Consortium and its constituent jurisdictions to replicate regulatory reform in other locations, expand access to supportive housing units and services, and share lessons learned with other rural regions of Virginia and, potentially, other states.

# **Exhibit B Threshold Requirements and Other Submission Requirements**

## **New River Valley HOME Consortium**

The New River Valley (NRV) HOME Consortium (“The Consortium”) meets all Threshold Eligibility Requirements and Other Submission Requirements detailed in HUD’s FY24 Pathways to Removing Obstacles to Affordable Housing (PRO Housing) funding notice (FR-6800-N-98), including the following.

A. Threshold Eligibility Requirements (Section III.D.)

1. Resolution of Civil Right Matters: The Consortium has no unresolved civil rights matters.
2. Timely Submission of Applications: This application has been timely submitted before 11:59:59 PM Eastern time on October 15, 2024, the application due date in section IV.D.1. of the NOFO.
3. Eligible Applicant: The Consortium is an eligible multijurisdictional applicant in accordance with Section III.A. of the NOFO, as evidenced by the NRV HOME Consortium Agreement.
4. Number of Applications: The Consortium has submitted only one (1) application in response to this NOFO.

B. Other Submission Requirements (Section IV.G.)

1. Limited English Proficiency (LEP). Information regarding the planning process and this application is available to LEP populations, consistent with Final Guidance to Federal Financial Assistance Recipients Regarding Title VI, Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732).
2. Physical Accessibility: All relevant in-person meetings were held in facilities physically accessible to persons with disabilities in accordance with 24 CFR Part 8 and all applicable laws and regulations. In addition, all notices of and communications during all training sessions and public meetings has been provided in a manner effective for persons with hearing, visual, and other communication-related disabilities consistent with section 504 of the Rehabilitation Act of 1973 and section 504 regulations.
3. Environmental Review: The Consortium shall comply with applicable environmental requirements related to any awarded funds. This includes complying with environmental justice requirements as set forth in HUD’s regulations at 24 CFR parts 50 and 58, which implement the policies of the National Environmental Policy Act (NEPA) and other environmental requirements. The Consortium, its project partners, and their contractors shall not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project under this NOFO, or commit or expend HUD or non-HUD funds for such activities under this NOFO, until the environmental review procedures required by 24 CFR part 58 and the environmental certification and Request for Release of Funds (RROF) have been completed, and HUD has approved the project.

**Exhibit C NEED**

**New River Valley HOME Consortium**

**Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations. (15 points)**

Though mostly rural in character, the New River Valley (NRV) of Virginia (the Blacksburg-Christiansburg Metropolitan Statistical Area) is among the fastest growing regions in the state and is facing growing housing access and affordability challenges resulting from decades of underproduction. Even moderate-income households in the region are now frequently housing cost burdened, paying more than 30 percent of their incomes on housing, and lower-income NRV households are increasingly at risk of becoming homeless.

Though individual NRV jurisdictions operate in unique development and political contexts that often require individualized responses, the common roots of the region’s housing crisis and the barriers to its solution have necessitated and generated a collective response. NRV jurisdictions – Floyd, Giles, Montgomery, and Pulaski Counties, the City of Radford, and towns including Blacksburg, Christiansburg, Dublin, Floyd, and Pulaski – have taken concrete actions jointly and individually that demonstrate their strong commitment to improving housing policy and to enabling residential development to meet local needs. As a rural region with limited local capacity and access to national housing resources, a PRO Housing grant will enable the NRV HOME Consortium to deepen its collaboration with local jurisdictions by:

1. Advancing public policy changes in the region’s top population and job centers, reducing local housing deficits and thereby relieving housing pressure throughout the NRV, nearly all of which has been classified as a “priority geography” for the FY24 PRO Housing grant cycle<sup>1</sup>, and
2. Addressing barriers to the development of permanent supportive housing units that will serve high-need and hard-to-serve populations who are at the greatest risk of homelessness.

**a. Improved laws, regulations, or land use local policies**

Public officials are increasingly attentive to the shocking scale of the region’s housing deficits, which undermine the financial stability of residents and threaten future economic and business development. Both collectively and individually, NRV jurisdictions are working to remove critical barriers to housing production and affordability – no small task in a rural region with limited financial, jurisdictional, and nonprofit capacity to plan, develop, and maintain its housing stock.

**NRV Regional Progress And Commitment**

For nearly two decades, jurisdictions in the NRV have collaborated to understand and address the region’s housing challenges. These collaborations have deepened each jurisdiction’s level of commitment to solving housing challenges and have yielded progress both in improving public policies and increasing housing production. Substantial regional efforts include the following:

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<sup>1</sup> Floyd County is not a priority geography, though the Town of Floyd is so classified.



- **2007 formation and continuing work of the New River Valley HOME Consortium<sup>2</sup>**
- **2023 launch of New River Valley Housing Trust Fund<sup>3</sup>**

### **NRV Home Consortium**

Over the last 17 years, perhaps the clearest expression of the NRV’s regional commitment to housing affordability has been the work of the NRV HOME Consortium. Under the administrative leadership of the Town of Blacksburg’s Department of Housing and Community Connections, the Consortium develops the 5-year Consolidated Plan and Annual Action Plans that guide the investment of Federal HOME program allocations. Using a unique model of distribution, HOME funds rotate among participating localities, providing them with substantive funding every 5 years, based on population and housing need, to achieve their goals and leverage other funds. Every three years each Board and Council approves the renewal of its HOME Consortium membership. Since its inception, close to \$10 million in NRV HOME Consortium funds has led to over \$73 million in match to support the development of 478 new affordable housing units. These units have been distributed throughout the Consortium’s footprint with 144 units in Pulaski, 33 in Radford, 33 in Giles County, 260 in Montgomery County and 8 in Floyd.

### **New River Valley Housing Trust Fund**

In 2021, Virginia Housing provided a \$2 million grant to the New River Valley Regional Commission to pilot a regional housing trust fund to develop and preserve quality affordable housing in the New River Valley. A regional stakeholder group comprised of members representing local governments, developers, universities, healthcare institutions, housing-related associations, lenders, and nonprofits worked collaboratively to design the program guidelines and award initial funding, which was accomplished in 2023. This year, all NRV boards and councils agreed to commit funds to the NRV Housing Trust Fund annually – the first such collaborative effort in the region’s history. The committed amounts are being determined based on the the locality’s population.. Work is now underway to secure funds from our private business sector and university sector partners. To maximize the impact of its funding and the effectiveness of its administration, the NRV Housing Trust Fund will coordinate investment with Federal HOME dollars allocated to the NRV HOME Consortium. This will enable each locality to expand the number of affordable units produced. Eventually, partners foresee this as a flexible funding source for activities that are difficult to fund through other state and federal sources, such as land banking activities, capacity building activities, housing development serving up to 120% of AMI, a regional home repair program, funds for a permanent homeless shelter, and permanent supportive housing development.

### **Town Of Blacksburg Progress and Commitment**

The Town of Blacksburg, home to Virginia Tech University, is the NRV’s largest job and population center and faces the greatest deficit of housing units and affordability challenges in the region. Blacksburg’s commitment to addressing these challenges is evidenced by its investment in numerous local housing studies and initiatives (in addition to the 2021 regional study previously referenced).

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<sup>2</sup> <https://www.blacksburg.gov/departments/departments-a-k/housing-and-neighborhood-services/new-river-valley-home-consortium>

<sup>3</sup> <https://nrvc.org/nrv-housing-trust-fund>

### **HUD Consolidated Plan and Annual Action Plans<sup>4</sup>**

As the lead entity for the NRV HOME Consortium, the Town of Blacksburg leads the development of the NRV's 5-year HUD Consolidated Plan and Annual Action Plans, which guide the investment of the region's annual allocations of HOME funding and the Town's investment of annual CDBG allocations. In addition to the HOME investments previously referenced, Blacksburg receives approximately \$550,000 annually in CDBG funds. The majority of CDBG funds are invested in:

- Building new Community Land Trust affordable housing units
- Acquiring, rehabbing, and selling blighted properties to support the creation of additional affordable homeownership units
- Supporting critical home repair and energy efficiency upgrades.
- Supporting homelessness services and prevention activities provided by community partner organizations.

### **Blacksburg Affordable Housing Development Fund<sup>5</sup>**

In 2021, Blacksburg's Town Council established an Affordable Housing Development Fund using \$4 million from the American Rescue Plan Act to incentivize housing developers and builders interested in;

- Increasing the supply of affordable housing for low and moderate-income households near jobs, services, schools, and public transit.
- Promoting the diversity and vitality of neighborhoods, with a focus on housing for permanent residents.
- Preserving existing affordable housing through renovation, repair, and retrofitting.

The Affordable Housing Development Fund provides grants and no-interest loans for projects that address Blacksburg's long-term affordable housing needs. To date, funding has supported three projects, creating affordable homeownership opportunities for 55 households. Town staff are now working to identify a regular funding mechanism for the fund, which will likely include an annual allocation from the general fund, in addition to an inclusionary zoning fee-in-lieu program. Assistance with creating an inclusionary zoning program is a part of this ProHousing application.

### **Accessory Apartment Ordinance**

In 2017, Blacksburg created an accessory apartment ordinance to allow for attached units. Based on lessons learned in the five years since creating the ordinance, The Town, in 2022, amended the ordinance to allow for detached accessory apartments and to create additional flexibility for property owners when designing or trying to apply the ordinance to their property. Staff are working on a program to educate homeowners and developers on the goals of the Town's Accessory Apartment program, the benefits of accessory apartments, and the steps of the development process to increase utilization.

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<sup>4</sup> <https://www.blacksburg.gov/departments/departments-a-k/housing-and-neighborhood-services/consolidated-plan/-fsiteid-1#!/>

<sup>5</sup> <https://www.blacksburg.gov/departments/departments-a-k/housing-and-neighborhood-services/affordable-housing-fund>

### **Zoning: Small Lot Ordinance**

During the last decade, residential development in Blacksburg has focused predominately on larger lot, detached, single-family development, and student apartments. A wider range of housing options, including smaller single-family detached homes, duplexes, and townhomes, are needed to meet the diverse needs of current residents and of households who are employed in Blacksburg but are currently unable to afford housing there. In a 2017 Town survey, 41 percent of 1,500 respondents identified the need for more affordable housing as one of the top three community priorities. In a subsequent 2021 survey, the majority of respondents supported small lot, single-family development as an acceptable priority strategy for increasing housing affordability and choice for permanent Blacksburg residents. Unfortunately, Blacksburg's outdated zoning code has made it difficult to develop smaller, less expensive housing on smaller, less expensive lots. To address this policy and market failure, the Town's Comprehensive Plan suggests two zoning reforms:

1. Review and revise ordinance standards including minimum lot sizes, maximum densities, and lot configurations to provide for a broader range of housing options in Town.
2. Investigate opportunities to reduce the cost of residential development, including "smaller lot sizes and reduced parking requirements."

These recommendations are reflected in the Small Lot Residential Ordinance<sup>6</sup>, expected to be approved by the Town Council in November 2024. The ordinance is an important step toward enabling the development of smaller, less expensive homes while also demonstrating that zoning reform need not threaten the architectural character of neighborhoods valued by their current residents.

### **Water and Sewer Availability Fee**

Currently, the Town waives water and sewer connection fees to HOME and LIHTC affordable housing projects. Town Council, in November 2024, is expected to enact changes to this ordinance to expand when this fee waiver can be applied, to include affordable housing projects funded by any local, state, or federal source, Virginia Housing funds, and Community Land Trust units serving up to 120% of Area Median Income.

### **Montgomery County Progress and Commitment**

#### **Community Land Trust Program Resolution**

In July of 2022, the Montgomery County Board of Supervisors passed a resolution (R-FY-23-05) establishing a community land trust program (now known as New River Home Trust (NRHT)) to be operated in partnership with the Town of Blacksburg and a local nonprofit affordable housing developer, Community Housing Partners. The NRHT supports the families of Montgomery County through the development and stewardship of permanent affordable housing for low-to-moderate income households (those earning between 60-120% of area median income AMI). The County also worked with their tax assessor's office to ensure any current or future NRHT units will be assessed at the sales price value versus the market value of the unit.

### **City Of Radford Progress and Commitment**

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<sup>6</sup> <https://letstalkblacksburg.org/small-lots>

## **Zoning Reform**

The City has been working over the last two years to make major changes to its zoning ordinance that will help encourage residential reinvestment and redevelopment of diverse housing types at a variety of price points. The initial reforms are scheduled for completion in 2025. Through this effort, Radford is proposing to change the allowance of duplexes within the R-3 Residential District / Medium Density Residential District to a by-right use and to allow townhomes under a Special Use Permit. Currently, townhomes are not allowed, and duplexes are with a SUP. The R-3 District is designated for moderate-density dwellings and it is felt that these changes will meet that designation. The City is also updating its parking regulations to reduce off- street parking requirements, in hopes of lowering development costs and reducing costs passed onto residents. They are also working to overhaul their PUD district to encourage a more creative development plan to provide more flexibility with uses and densities.

## **Floyd County Progress and Commitment**

### **Floyd Townhome Ordinance**

Floyd County is also unique in that it does not have formal zoning. The County recently adopted a Subdivision ordinance which dictates that if a parcel with access to town water and sewer is being subdivided, it can be divided into a minimum of .26 acre lots. For a recent 7-unit townhome project to be financially feasible and affordable, Habitat for Humanity of the New River Valley required greater density than this. Working closely with the Floyd Planning Commission, Board of Supervisors, and the dedicated community members of FISH (Floyd Initiative for Safe Housing), Habitat helped facilitate the proposal and passing of a new Townhome ordinance, which allows for up to 12 units per acre. As this was a public process, the Board of Supervisors heard from community members about the desperate need for affordable housing, especially units that had access to town utilities, and they agreed by approving this ordinance.

## **Giles County Progress and Commitment**

### **Giles Technical School**

Giles County provides financial and staff support to the Giles Technical School, located at the local high school. Students work with their instructor throughout the school year to build a modular home. These modules are then moved onto a foundation in the community, and in partnership with the NRV Habitat for Humanity are finished by their volunteers and specialty contractors and sold to qualifying homebuyers. Most recently, the County has been working with the Towns to acquire and demolish abandoned and blighted properties to provide new opportunities for the placement of affordable homes created through the Giles Technical School and Habitat partnership.

## **Pulaski County Progress and Commitment**

### **40-by-30 Initiative**

As part of Pulaski County's comprehensive plan, the County set a vision for growing a younger and more diverse population of 40,000 citizens by 2030 (population in 2022 was 33,706), which has included ensuring a full array of housing selections and infrastructure investments to support

modern walkable sub-communities. To support the “40 by 30 Initiative” vision, Pulaski County overhauled its Unified Development Ordinance (UDO) with an outside consultant in 2022. The most recent evidence of the County’s commitment to affordable housing is their approved donation and dedication of three old school properties, Pulaski Middle, Dublin Middle, and Claremont Elementary schools, to support their residential reuse, totaling 200 new housing units. Both the Claremont Elementary and Dublin Middle School properties will be owned and operated by affordable housing developer Landmark Properties. In addition to each building’s donation, the County provided tax abatement to the developer as part of their Low Income Housing Tax Credit application and both projects have already been awarded LIHTC funds.

**b. Other Recent Actions taken to overcome barriers to facilitate the increase of affordable housing production and preservation.**

Several recent housing initiatives and projects have been facilitated by HOME Consortium member localities, partners, and staff to address the urgent regional need for affordable housing.

**Stroubles Ridge Subdivision, *Town of Blacksburg***

With the Stroubles Ridge Subdivision, non-profit developer Community Housing Partners (CHP) aims to address the pressing need for accessible housing options in the area, particularly for first-time homebuyers and those struggling to find affordable living spaces within town limits. The Town of Blacksburg approved a boundary line adjustment to bring the Stroubles Ridge development into the Town and provide it with typical Town amenities and services. With 46 residential lots earmarked for construction, Stroubles Ridge will consist of up to 70 units, a mix of single-family homes and duplexes. All residences will adhere to or surpass EarthCraft green building standards, aligning with modern sustainability practices. Phase one of construction is projected to encompass 20 units over the next 2-3 years, with a focus on households earning up to 80% of the Area Median Income (AMI). CHP is currently working with contractors to install neighborhood infrastructure and utilities over the next several months. When completed, Stroubles Ridge will represent the largest investment in affordable homeownership units in the NRV to date, with \$3.7 million in local HOME, CDBG, and ARPA investment.

**Subdivision and Zoning Stakeholder Group, *Town of Blacksburg***

Blacksburg’s Small Lot Ordinance is just a first step in rewriting local zoning codes and residential development entitlement processes. To build on this momentum, the Town created a Subdivision and Zoning Stakeholder Group in 2023, bringing together local expertise in engineering, architecture, housing development, and the environment with Town staff. The group has proposed reforms and identified opportunities to streamline the Town’s entitlement processes consistent with key principles related to sustainability, quality construction, design, amenities, and safety. These changes will start to be integrated into the zoning and subdivision ordinances this fall, and help to address long-standing concerns from the development community regarding the lack of flexibility.

**Leggett Building Revitalization Project, *City of Radford***

Previously an unused, inefficient, historic building, the Leggett Building is now an energy-efficient, mixed-use, mixed-income property in downtown Radford. The units are a mix of one and two bedrooms, with seven (7) HOME-assisted units and four (4) market-rate units. Located

in the heart of the central business district, this project has returned a linchpin property to community use for the residents of Radford.

### **New River Home Trust, *Montgomery County***

The New River Home Trust (NRHT) is a Community Land Trust that supports the families of Montgomery County (which includes the towns of Blacksburg and Christiansburg), through the development and stewardship of permanent affordable housing for low-to-moderate income households (those earning between 60-120% of area median income). Since its inception in 2023, the NRHT has acquired five homes, with 55 more in the pipeline. Montgomery County and the Town of Blacksburg have committed to ongoing operating support of the NRHT to overcome capacity barriers identified during the business-planning phase. All partners also worked together with the tax assessor's office to come up with a process for identifying and appropriately taxing NRHT properties.

### **Floyd Newtown Road Townhomes, *Floyd County***

Habitat for Humanity of the NRV completed the construction of seven HOME-assisted townhomes in 2024 with its partner families and volunteers - the first-ever townhomes in Floyd County. Strong community support and collaboration led to the passage of a new townhome ordinance that enabled the development to move forward. The EarthCraft (now Veridiant) townhomes replicate a Blacksburg project, allowing Habitat to benefit from economies of scale, and is expected to serve as a model for future affordable housing development in the county.

### **Claremont School Redevelopment and Revitalization, *Pulaski County***

This development, supported by the NRV HOME Consortium, includes 23 units in the redeveloped historic Claremont Elementary School. It will also involve new construction of 27 units, including 15 two-bedroom units and 12 three-bedroom units. Another Pulaski County school redevelopment is now in the predevelopment phase to convert a former middle school in the Town of Dublin into 70+ units of affordable housing.

### **Do you have an acute need for affordable housing? What are your remaining affordable housing needs and how do you know? (10 points)**

This application, submitted by the NRV HOME Consortium, would serve the New River Valley, a priority geography that has an affordable housing need greater than the three measures identified by HUD for PRO Housing grants and applied in the PRO Housing List of Priority Geographies<sup>7</sup>. The following HUD-identified priority geographies are served by this application.

- Town of Blacksburg
- Town of Dublin
- Town of Floyd
- Town of Pembroke
- Town of Pulaski
- City of Radford
- Giles County

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<sup>7</sup> <https://www.hud.gov/sites/dfiles/CPD/documents/prohousing-priority-expandedv2.xlsx>

- Montgomery County
- Pulaski County

The acute need for affordable housing for households with incomes below 100 percent of the area median income has been brought to light through regional and local analysis of housing stock condition, age of housing stock, homelessness, home price as compared to area median income, average days on market and rents compared to area median income. These initiatives include:

### **2021 Regional + Local NRV Housing Study**

Although the Consortium has achieved real progress in meeting the housing needs of low-income households, severe deficits remain across the NRV. Regional jurisdictions again demonstrated their commitment to understanding and addressing their housing challenges by collaborating on the “Regional + Local NRV Housing Study” published in 2021. With leadership and support from the Virginia Center for Housing Research at Virginia Tech, Housing Forward Virginia, and the New River Valley Regional Commission, the study revealed massive and growing housing needs throughout the region. At the time of the report, nearly 15,000 households in the NRV were housing cost-burdened, paying more than 30 percent of their incomes on housing. Housing is needed in the NRV at every price point along the income spectrum. However, some populations are particularly vulnerable when the housing market is tight, as evidenced by the 5,500 of those households identified as severely cost-burdened. These households pay more than half of their incomes on housing, leaving little money each month for other necessities and placing them at risk of joining a growing population of NRV residents experiencing homelessness. Approximately 41% of cost-burdened households are homeowners and 59% are renters. The region does not have sufficient reliable data on cost-burdened households of color, but an estimated 27% to 47% of Black households are believed to be cost-burdened.

The study also revealed that although the region has enough housing stock to accommodate earners at 50% of AMI, 72% of that stock is occupied by households earning greater than that. Moreover, households earning 50% of the AMI or below occupy only 27% of the housing stock that is affordable to them. Earners at 50–80% and 80–100% of the median income occupy only 15% and 10% of housing affordable to them, respectively. More than half of these units are occupied by households earning greater incomes. The market does not match housing units with the households that need them. Households with higher incomes often better compete for housing units because they are more attractive to landlords and finance agencies. When there is insufficient appropriate housing for everyone, some households must accept substandard or unaffordable housing.

### **2022 Analysis of Virginia Tech (VT) Jobs and Housing Affordability by Virginia Center for Housing Research (VCHR)**

A high-level analysis of housing affordability and attainability for employees of VT, Blacksburg’s largest employer, provides insight into the region’s broader need for housing for low- and moderate-income residents. VCHR analyzed salaries, rents, sale prices, and transportation costs to understand the housing affordability experience of faculty and staff at

Virginia Tech. The analysis also offers a sample of strategies, which other universities have adopted to increase housing options for employees and support localities and housing providers.

Nearly half (48%) of VT staff (which includes people like the cleaners, cafeteria workers and administrative staff that support its function) would be categorized as “low-income” households if they do not share housing costs with another earner. The median gross rent in Blacksburg in 2021 was \$1,155 and lower quartile rent was \$883 per month. More than 500 employees cannot afford rent at the lower quartile in Blacksburg.

The Blacksburg homeownership market has also become unattainable for many households. Even those who can afford a home in town or nearby struggle to compete for the very-limited inventory. The median days on the market (DOM) near Virginia Tech has fallen sharply in the last five years from 32 days in 2015 to 4 days in 2021, meaning that 50% of homes listed sell in 4 days or fewer. The median DOM in 2023 in Blacksburg, Christiansburg, Montgomery County, Pulaski County, and Radford City are all still hovering at 6. Intense competition among homebuyers and investors has driven up prices. The median sale price increased 40.6% over the same period.

### **NRV HOME Consortium HOME-ARP Allocation Plan**

In 2023 the NRV HOME Consortium conducted a comprehensive needs assessment as part of the planning process to determine the best use of a \$2,161,332 allocation under the HOME ARP program. The purpose of HOME-ARP is to provide homelessness assistance and supportive services through several eligible activities, including the acquisition and development of a non-congregate shelter, tenant-based rental assistance, supportive services, and the development of rental housing. The allocation planning process included extensive consultation with: the jurisdiction’s Continuum of Care; homeless, domestic violence, and mental health service providers; veterans groups; local governments; and organizations that address fair housing, civil rights, and the needs of persons with disabilities. Analysis of findings indicated that the housing inventory that is affordable to those in greatest need (0-30% AMI) will need to expand significantly before permanent housing solutions can be realized for the majority of this population. Housing success for many will mean ensuring that the necessary supports are in place to overcome significant barriers, but agencies providing housing support services are severely challenged when the lack of available units prohibits their ability to assist with stabilizing households. 2013 – 2017 CHAS (Comprehensive Housing Affordability Strategy) data indicated there were 1629 rental units affordable to households at 30% of AMI (At-Risk of Homelessness) in the NRV, and 5075 households in need of this housing, resulting in a gap of 3446 units. The 2021 New River Valley Regional and Local Housing Study found an even greater number of households in this category, identifying the need for approximately 4,705 additional housing units for extremely low-income households. From 2023 to 2024, the New River Valley saw a steep increase in the number of unhoused individuals. According to point-in-time data, there was a 123% increase in the number of unhoused individuals from 2023 to 2024 (NRV Housing Partnership, 2023 and 2024). In 2023, key partners reported increases in unhoused individuals, particularly in encampments in Radford City and Pulaski County (NRCA, 2024).



The HOME-ARP allocation planning process identified the priority regional need for permanent supportive housing. This need even rose to the top over the need for a year-round homeless shelter because service providers can see that the root cause of the homeless crisis is the lack of permanent affordable housing. None of our other available funding sources has ever been able to support the development of housing for this population in any substantial way. Our vision is to develop a scatter-site supportive housing program that offers deeply affordable housing options with wrap-around services throughout the New River Valley Region.

### **2024 NRV Regional Economic Strategy**

Jurisdictions in the region have been working not only to research and understand the housing challenge but to respond to it, as well. When local jurisdictions came together earlier this year to set regional economic priorities, housing was included as one of just five land use strategies identified in the 2024 NRV Regional Economic Strategy. The strategy identifies low housing inventory and high housing costs as critical weaknesses in its SWOT analysis and prioritizes affordable housing in its recommended land use strategies (Strategy 3.3 - Develop and maintain adequate and affordable housing stock within the region).

### **What key barriers still exist and need to be addressed to produce and preserve more affordable housing? (10 points)**

#### **Barriers To Affordable Housing**

##### **Antiquated Zoning**

The primary population and job centers in the NRV—the Town of Blacksburg, Montgomery County (in which Blacksburg sits), and the City of Radford (which borders Montgomery County in the central NRV) – require substantial rewrites of their zoning codes to enable residential development to meet current and local access and affordability needs. The last update to Montgomery County’s zoning ordinance was in 1999 and the Town of Blacksburg’s in 1997. Piecemeal updates over time have also led to inconsistencies between and within comprehensive plans, zoning codes, and development standards. Barriers to achieving zoning reform in these jurisdictions include the following.

- The lack of dedicated staff capacity and budgets has prevented a comprehensive overhaul, as staff try to keep pace with normal development and permit review and approvals.
- The lack of relevant models and inclusionary housing tools designed for high-growth areas in rural areas. Most current zoning models and housing policy tools are typically designed for larger urban and suburban geographies. NRV jurisdictions need assistance in tuning these models to their local contexts to avoid unintended consequences that could undermine housing production and affordability.
- An order of operations; jurisdictions are at different stages of considering and testing zoning changes and need assistance in prioritizing and implementing the next steps. Public support and commitments from local budgets will be required to succeed.

### **The “Student” Effect**

Being home to Virginia Tech and Radford University, Montgomery County, the Town of Blacksburg and the City of Radford have a uniquely expensive housing market. The cost of housing outpaces wages, as permanent residents compete with students and investors for the limited housing supply. The competition in the market is leading to higher sales and rental prices as evidenced by low vacancy rates. Any housing policies, development, or design standards must consider the ‘student impact factor’, which has complicated the zoning code and stifled the development of other nonstudent housing types. It has also led to more residential development pressure along the region’s main transportation corridors that connect these three localities; zoning and land use regulations need to catch up to this pressure to ensure we are seeing the development that is needed and desired.

### **Barriers to the Development of Permanent Supportive Housing**

#### **Lack of Project-Based Vouchers**

The housing inventory that is affordable to those in greatest need (0-30% AMI) must expand significantly to realize permanent supportive housing (PSH) solutions to serve households in this population. The lack of project-based vouchers, in particular, represents a major barrier to serving extremely low-income households. Ongoing subsidies will be required to cover the gap between the cost of PSH services and the rents households can afford to pay, so it is vital to deliver PSH units debt-free.

#### **Lack of Experienced Supportive Housing Developers**

One of the main barriers that has historically prevented supportive housing development in the New River Valley is the lack of experienced supportive housing developers willing to work in our region. When supportive housing providers, operating in other parts of Virginia (like Virginia Supportive Housing), were approached about operating in Blacksburg, they noted they could see the demonstrated need but the lack of project-based vouchers to help support ongoing operations of supportive housing units made it untenable (these vouchers are not available in the rural southwestern area of the state). We knew that as part of our initial efforts, we would need to invest in the creation of a local supportive housing developer. While conducting our needs assessment process, New River Community Action (NRCA) stepped forward and agreed to serve in this capacity. NRCA is the ideal choice because the organization already serves this population through emergency assistance, rent relief, housing counseling, rapid rehousing, and management of the Section 8 housing choice voucher program. They keenly realize that to meet their mission to promote and support the well-being and self-reliance of individuals, families, and communities they must implement a housing first approach and address the barrier, which is the lack of deeply affordable housing.

Knowing that they needed to build the technical capacity to do this work, NRV HOME Consortium staff contracted the Corporation for Supportive Housing for training and consultation. Over nine months, CSH, in concert with NRCA and a host of local partners, held focus groups with individuals with lived experience and the service providers that serve them in our community. The goal was to further identify the specific needs of the target at-risk population and build a project concept and service plan to meet those needs. This also included the development of an initial operating and development budget for that concept. In addition,

NRCA is currently participating in a CSH Supportive Housing Institute, a selected cohort that is receiving intensive training over five months on navigating the process of developing permanent supportive housing. NRCA has also brought on technical assistance from two experienced affordable housing developers who have familiarity with working in rural regions, including Rush Homes Inc. in Lynchburg and Open Door Community (formerly HOPE Inc.) in Wythe County, to build internal capacity and provide guidance throughout the project ideation and development. NRCA has also developed a relationship with a private affordable housing developer, Landmark Inc. who is currently building two Low Income Housing Tax Credit projects in Pulaski. NRCA is in the nonprofit ROFR position for Landmark Inc. in both of these projects. If NRCA can secure a site in Pulaski County, NRCA plans to use Landmark for property management of the supportive housing units and NRCA plans to support residents' connection to community services.

In addition to building its knowledge and technical capacity, NRCA has also deepened its relationship with New River Valley Community Services (NRVCS). NRVCS provides behavioral health services and offers an array of programs and supports for both children and adults diagnosed with mental health and/or substance use disorders, as well as those living with developmental disabilities. NRVCS manages the Permanent Supportive Housing (PSH) program, which houses individuals who have a serious mental illness and who have been homeless for at least six months, with funds from the State Department of Behavioral Health and Developmental Services. The NRVCS PSH program currently works with area property owners/managers to house these individuals and provides monthly rent payments and case management for program participants. Their major challenge is finding available units and property owners willing to accept program participants; they have a 100-person-long waiting list. The NRCA's units would provide the housing so desperately needed by NRVCS's program participants and NRVCS's consistent funding would help stabilize the operating budget for the NRCA project. In addition, NRCA has been in discussion with Virginia Housing about potentially converting a handful of Housing Choice Vouchers into PSH vouchers for the units as a part of this project to further ensure a sustainable long-term supportive housing program.

### **Lack of Subsidies for Site Acquisition and Predevelopment Costs**

Though several agencies have robust supportive service programs in place to assist qualifying populations in areas such as housing counseling, financial aid, addictions, and mental health support, their efforts are consistently hindered by the lack of affordable housing available to their client base. Because the NRV lacks experienced supportive housing providers, little capital is available to invest in predevelopment or land acquisition costs necessary for site control and to submit a successful application for more routine affordable housing resources. The HOME ARP funding currently available for this project, as well as other regularly available funding sources like the State Housing Trust fund or State HOME program, all require site control and that all project funding be in place before any funds can be used. This limits the ability of new developers with limited initial capital to invest sufficiently in land/site acquisition to obtain site control or support all the predevelopment costs required to obtain that additional funding. This system preferences experienced developers and precludes new supportive housing developers from entering the affordable housing development space, at a time when more developers willing to serve rural areas are so desperately needed to meet the demand for deeply affordable housing. In looking for potential project sites, project partners found an opportunity in Radford to

purchase land in an ideal location close to services, amenities, transportation, and job opportunities, but the deal fell through because the property owner was not willing to accept an offer ‘contingent on additional funding’. Taking out a loan to purchase the property in this interest-rate environment also impacts the overall project budget; to make supportive housing work with low rents requires that the property be as close to debt-free as possible. This prompted project partners to concentrate efforts on working with high-need localities that might have publicly owned land that would potentially make it available for the project and searching widely for appropriately zoned properties that are not known to be for sale.

## **NIMBYISM**

NIMBYism is an issue that threatens both zoning reform and the development of permanent supportive housing in the NRV. A replicable approach to public engagement around controversial land use issues would enable jurisdictions in the NRV both to advance current zoning reform initiatives and PSH development proposals and to address concerns around similar initiatives in the future. Although localities are seeing rising rates of homelessness in their communities (in particular Pulaski, Radford, and Giles), elected officials have been reticent to support the development of supportive housing in their communities. There is a fear that this type of housing will only encourage more homeless people to come to their community, decrease the quality of life in the neighborhood, place a greater demand on emergency services, and lead to reductions in property values. The opioid epidemic has hit our region hard, and there are fears of increasing crime and drug use, as well as lost tax income from those properties. The partners spent significant time exploring and negotiating to co-locate near Landmark’s affordable housing project in Dublin, next to land donated to Landmark by the County for their LIHTC project. Partners were hopeful that additional land on-site could be used for a 20-unit supportive housing project. The County and EDA staff were initially receptive to the use and co-location, but at the meeting to make a final decision a handful of board members raised concerns and shut the opportunity down last minute. Cited concerns included the population being served, developer capacity, and the potential pull on emergency services. When the project team explored the opportunity of siting a project in rural Giles County, it was received positively again by County staff and service providers, but when it got to the point of elected bodies making firm land commitments there was reticence. They indicated that there was a possibility that they would be open to the project in the future, but not until we can bring the community along.

There is a recognition that to move the project forward more education and engagement are needed in our region, and specifically in our highest-need areas, about how supportive housing can help be part of the solution. Investments must be made in designing a supportive housing program and service plan that helps address concerns and meets the needs. Project partners, with money alone for land acquisition, could probably find a site in any of one of these high-need communities with some persistence, but for the success of the program long-term, we recognize that a deeper engagement effort is necessary. While the project team has a broad and trusted network of community partners and leaders, the project team lacks the staff time and capacity to develop and implement a successful community engagement effort.

**Exhibit D SOUNDNESS OF APPROACH**

**New River Valley HOME Consortium**

## What is your vision? (15 points)

The New River Valley Home Consortium’s vision is to leverage a 2024 PRO Housing grant (1) to increase the production of units affordable to low- and moderate-income households in the jurisdictions that are the primary drivers of population and job growth and (2) to enable the development of the first purpose-built PSH units in the region. The NRV HOME Consortium will also work to capture lessons learned that can help serve as “how-to” housing guides for other high-growth and high-need jurisdictions in rural regions. This vision will be accomplished through the following activities.

**Activity 1. Infuse a Regional Housing Action Plan into Local Rezoning Initiatives** in NRV population and employment centers. The plan will guide and coordinate jurisdictions’ land use choices as they reform local zoning ordinances, building and other codes, and development incentives to boost housing production, improve affordability, and provide low-income residents with location-efficient housing options in high-opportunity neighborhoods.

**Activity 2. Deploy a Regional Supportive Housing Program and Pipeline**, that addresses the lack of the political and community will and financial resources needed to support a regional, scattered site, supportive housing program. This includes the development of 14-20 PSH units in one or more of the region’s highest-need areas.

### **Activity 1. Infuse a Regional Housing Action Plan into Local Rezoning Initiatives**

Population and job growth in the central NRV, particularly in Montgomery County, the Town of Blacksburg, and the City of Radford, drive housing demand and rising housing costs throughout the region. Due to the shortage of units available and affordable to low- and moderate-income households in these regional population and job centers, many households are forced to seek housing in other parts of the region, increasing traffic, commuting times, and expense for workers, in addition to driving higher regional housing costs. By enabling the region’s economic engines to better supply housing where demand is the greatest, housing pressure will be relieved in more rural locales, where business activity, wages, and housing costs tend to be lower.

The NRV’s top three population and job centers, concentrated in the central area of the Blacksburg-Christiansburg MSA, are at different stages of modernizing their land use policies and regulations.

- **Montgomery County:** The County is working to update its comprehensive plan, including a zoning rewrite slated to begin in spring 2025. Addressing citizen concerns regarding housing supply and affordability will be a priority in this process. Issues of concern include the following.
  - i. Accessory Dwelling Unit Standards: 5 acres required under current regulations
  - ii. Commercial and Residential Mixed-Use Development: Employer interest in co-locating employee housing
  - iii. Barriers to typical neighborhood developments: 40-acre minimum under current regulations

- iv. Short-Term Rental Regulation and Taxation
  - v. Mobile Home Park Conditions and Affordability: how to incentivize compliance with health and safety regulations, affordability, and maintaining local ownership
  - vi. Housing and Transit Collaboration: how to enable the County, Town of Blacksburg, and City of Radford to collaborate on residential development and public transit expansion, particularly in transportation corridors experiencing the most growth
- **Town of Blacksburg**  
Blacksburg will launch a zoning rewrite in the Spring of 2025 that will build on the Town’s Small Lot Residential Ordinance that enables the development of higher density, lower cost housing in the Town’s core. A Subdivision and Zoning Stakeholder Group has provided the Town with additional recommendations to improve street design, construction sequencing, infrastructure timing, and subdivision design. Other issues the Town hopes to address in its code rewrite include residential density and affordability, parking requirements, building codes, and development entitlement processes.
  - **City of Radford:**  
Housing preferences in the City of Radford have evolved in important ways since the city’s zoning ordinance was designed. There is a strong demand for housing that is more accessible and affordable to young families, seniors, and modest-income households. As the City works to build a redevelopment strategy and rewrite its zoning code to meet current and future needs, there is a generational opportunity to enable and incentivize the creation of mixed-use, mixed-income, walkable neighborhoods with housing options affordable to low-income households.

To assist in these jurisdictions’ efforts, ProHousing funds will be used to retain a consultant to collaborate with planning and housing teams in the three localities to create a Housing Action Plan to guide and coordinate reforms of their local land use policies and zoning ordinances. A nationally respected firm recognized for expertise in residential development, inclusionary housing, affordability, and public engagement will be retained to provide the following deliverables.

- **Housing Underproduction Report:** defines the housing landscape and how to tailor and incentivize production so it better reflects current demand and meets future needs
- **Regional Housing Action Plan:** recommends priority strategies and policies with sequencing, approximate timelines, and viability assessments based on local interviews and research.
- **Engagement and Implementation Plan:** incorporates public engagement activities into each phase, building support among stakeholders and community members to advance from each phase to the next until completion.

Action and engagement plans will include but not be limited to recommendations regarding the following.

- Land use designations
- Residential density policies
- Affordability requirements and fees-in-lieu
- Costs/benefits of building codes (setback requirements, height restrictions, etc.) and landscaping standards
- Parking requirements
- Special use permits, variances, and processes
- Infill and greenfield development standards
- Short-term rental/homestay policies

### **Activity 2. Deploy a Regional Supportive Housing Development Initiative**

While the rate of homelessness and public concern regarding the unhoused continue to rise throughout the NRV, the lack of political will and financial resources to support regional, scattered site, supportive housing production remains its most significant barrier.

### **Moving Beyond NIMBY**

Local stakeholders' initial reactions to developing permanent supportive housing units that is aligned with wraparound services in their communities have been mixed. While local health, social, and human service providers have long recognized that PSH is a resource their clients and the NRV region desperately need, public officials have responded with undue caution based on the limited understanding of the model and the extensive evidence base demonstrating it works. Extensive public education and engagement are needed to allay concerns related to the impact of PSH on surrounding neighborhoods and to communicate the value PSH provides communities in ending the costly cycle of homelessness, incarceration, and institutionalization on our public safety and health care systems.

Several strong local organizations have expressed interest in advancing PSH deployment through participating in public education efforts, facilitating focus groups, lending their expertise to project design and service plan development, etc. These organizations have longstanding, successful track records of working effectively with the New River Home Consortium and its constituent jurisdictions. Based on this history, including their collaboration in standing up the New River Valley Housing Trust Fund, the overwhelming sentiment expressed by service providers is that creating a pipeline of new, high quality deeply affordable housing combined with evidence-based services is absolutely necessary to ending homelessness.

The Corporation for Supportive Housing (CSH) will be engaged to support community education, will-building, and inclusive project design. CSH uniquely possesses the technical knowledge and community engagement experience required for this effort to succeed. CSH is familiar with and invested in the NRV PSH project vision, and is currently engaged in supporting the region's housing strategy for people with Opioid Use Disorder as well as providing technical assistance and training to area homeless and behavioral health housing providers. As such, CSH has knowledge of the community partnerships, resources, challenges, and opportunities involved in moving this initiative forward.



The goals of CSH's work will be (1) to ensure that stakeholders, community leaders, and decision-makers have a clear understanding of supportive housing needs and options so that they can make the best decisions for their local communities and (2) to increase public and policymaker support for the development of supportive housing across the region. CSH will consult regarding two major activities.

1. Educating key stakeholders and decision-makers about the need for and value of a regional, scattered site New River Valley Supportive Housing Development Initiative, with activities to include:
  - i. Gathering existing data and exploring opportunities to match cross-systems data from health and housing systems to increase understanding of the need. Use data to identify and communicate needs to jurisdictional partners as well as potential outcomes related to reducing costs to crisis systems and improving the community response to homelessness;
  - ii. Conduct interviews with households experiencing (or at-risk of) homelessness and complex challenges to amplify quantitative data with qualitative data and support narrative building;
  - iii. Presentations to elected boards and councils, prioritizing highest need areas, to provide an overview of their local supportive housing needs, outline the benefits of supportive housing, and share the initiative's vision;
  - iv. Discussion forums with supportive housing experts, community leaders, local service providers, and persons with lived experience of being unhoused to discuss the need for, value of, and potential design options for supportive housing projects; and
  - v. Facilitate a tour for key stakeholders of quality supportive housing developments in nearby regions of Virginia.
  
2. Engaging stakeholders and the public in project design with deliverables to include:
  - vi. A series of community information meetings, listening sessions, drop-in open houses, and other public forums focused on highest-need areas, that
    - Provide an overview of supportive housing, support services, and local providers;
    - Encourage neighbors and potential tenants to inform the design of the project, including feedback on scale, typology, location, and service delivery to best meet needs and promote community integration; and
    - Identify potential partners to fill any service and funding gaps
  - vii. Focused site selection work with key partners in locations where the PSH concept gains traction.

### **Flexible Funding PSH Units**

As was noted by a committee of the National Academies of Science, Engineering, and Medicine in 2018, “The fragmented nature of the funding for PSH is magnified by the fact that the amount of available funding is generally inadequate to meet the demand and need.”<sup>8</sup> Mobilizing sufficient funding to deliver PSH units typically requires layering multiple public, private, and philanthropic contributions, nearly all of which have their own use, expense, timing, reporting, and other requirements. Even when multiple financing sources are identified and their requirements can be reasonably aligned, many projects fail to “pencil out” in the current economic context due to the cost of land capital and the extremely low rents PSH tenants are able to pay. In many such cases, including in the NRV, a more flexible subsidy or low-cost financing is needed for PSH projects to attain viability.

Although HUD at both the federal and state levels knows that there is a need for more affordable housing developers to meet the national housing affordability crisis, the current funding opportunities and their requirements make it difficult to grow new developers interested in helping address the problem. Even so, a recent HOME-ARP capacity building and nonprofit operations grant to New River Community Action (NRCA) has created meaningful momentum toward launching a regional supportive housing program in the New River Valley. Constraints on the use of these HOME-ARP and other available resources remain barriers, however, to full deployment of the program, including construction of the region’s first PSH units.

The largest and most consistent sources of financing for affordable housing in the region are HUD’s HOME and CDBG programs and the New River Valley Housing Trust Fund. Unfortunately, it is difficult to use these resources effectively, either together or separately, for developing the supportive housing program. Of the communities in the NRV with the greatest need for affordable housing, Radford is the only CDBG entitlement community in the NRV, meaning CDBG dollars are unavailable to serve the high-need areas in more rural parts of the region.

The NRV Housing Trust Fund (NRVHTF) and the NRV’s HOME allocations are also difficult to use in this context, as both mandate that project funding be firmly committed before any funds may be spent. Developers, therefore, must either borrow money or invest their own capital to cover initial land acquisition and predevelopment costs. As land costs and interest rates have increased over the past five years, however, development partners’ capacity and willingness to undertake such costs have been more limited, and multiple rounds of funding have sometimes been required to maintain project viability, drastically delaying the delivery of units to market.

As a new non-profit developer, New River Community Action (NRCA) faces the additional challenge of not having cash reserves available for acquisition and predevelopment costs. Although NRCA effectively manages a large budget, much of its funding is restricted to existing programmatic uses by the funding source.

Given that the supportive housing system will primarily serve extremely low-income individuals with limited ability to pay rent and that available project-based vouchers and other public

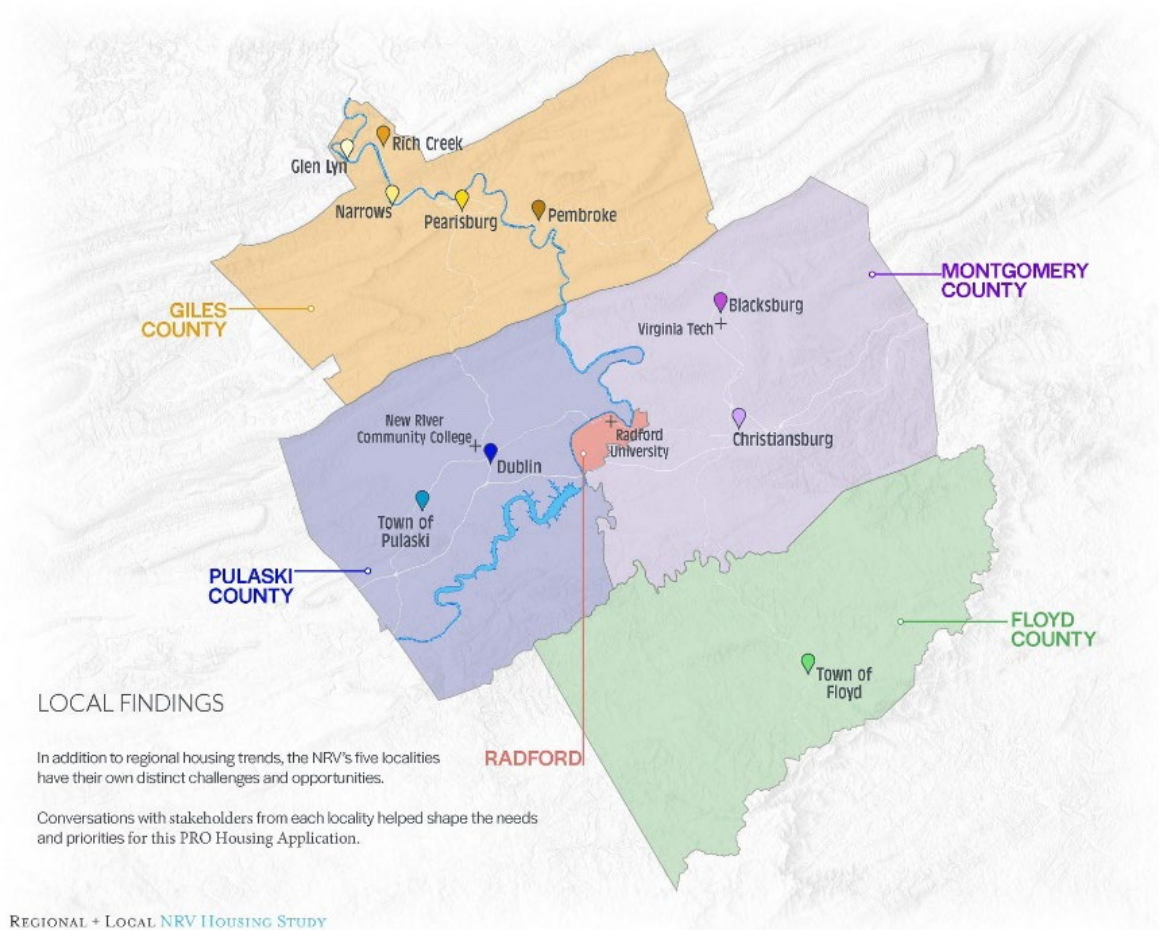
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<sup>8</sup> “Permanent Supportive Housing: Evaluating the Evidence for Improving Health Outcomes Among People Experiencing Chronic Homelessness,” National Academies Press (US), 2018 Jul 11.

subsidies are not adequate to support long-term maintenance and operation of all proposed PSH units, NRCA has little ability to undertake debt without reducing the overall size and impact of the program.

PRO Housing grants are well suited to address the substantial front-end barriers to financing the deployment of an NRV supportive housing system, because they are (1) flexible enough to be used for acquisition and predevelopment costs, allowing other, more restricted grant resources to be applied to other funding gaps and (2) will enable the project to maximize the units delivered by avoiding the need for debt financing.

### What is your geographic scope? (5 points)



Virginia's New River Valley (the Blacksburg-Christiansburg Metropolitan Statistical Area) is made up of four counties (Floyd, Giles, Montgomery, and Pulaski) and one independent city (Radford) and has a population of approximately 180,000 people. The 1,458-square-mile region encompasses ten interconnected towns (Blacksburg, Christiansburg, Dublin, Floyd, Glen Lyn, Narrows, Pearisburg, Pembroke, Pulaski, and Rich Creek).

This proposal is strategically designed to overcome barriers to achieving two major housing initiatives that promise to improve housing production, access, and affordability throughout the NRV: (1) the reform of antiquated residential zoning and building codes in regional population

and employment centers and (2) the deployment of a regional, scattered site, supportive housing system.

Outdated zoning regulations present a major barrier to the types and scale of housing production needed to meet the needs of the land-limited, high-growth areas of the region – Montgomery County, the Town of Blacksburg, and the City of Radford. As the economic and job engines of the region, these jurisdictions drive population growth and housing demand throughout the NRV. Unable to find adequate, affordable housing in these locations, households are forced to live in other areas, creating pressure on housing access and price in locations where rents otherwise would, like incomes, tend to be lower. Fortunately, three of these jurisdictions are committed to reforming local policies and systems to enable, incentivize, and finance housing that is affordable to the full range of their residents, particularly low- and moderate-income households. In so doing, they will better meet local needs and reduce pressure on housing access and cost throughout the region.

Supportive housing needs, like affordable housing needs more generally, are significant in all parts of the region. Because supportive housing services and units will deploy in phases, initial locations under consideration for PSH units are those that can serve more people with better access to transportation, jobs, services, and amenities. That said, supportive housing education and outreach efforts will be extended to the entire region through organizational and jurisdictional collaboration.

### **Who are your key stakeholders? How are you engaging them? (5 points)**

As evidenced by recent work, including the completion of the New River Valley Regional Housing Study, 17 years of initiatives undertaken by the New River Valley HOME Consortium, the recently established New River Valley Trust Fund, and the launch of the New River Housing Trust, regional collaboration among jurisdictions, service providers, and developers has been key to achieving regional housing successes to date. Collaboration enables local stakeholders in a rural region to maximize limited dollars and share valuable capacity and technical expertise. Extensive stakeholder engagement undertaken over the past five years serves as the basis for this Pro Housing grant request.

The New River Valley HOME Consortium researched and submitted its 2022-2026 Consolidated Plan to HUD, which includes all agencies and partners engaged in the consultation section.

### **Regulatory Reform Engagement and Partners**

- ***Key Regulatory Reform Stakeholders***

The primary regulatory reform stakeholders participating in the development of this proposal, all members of the NRV HOME Consortium, are Montgomery County, The Town of Blacksburg, and the City of Radford, the populations and job centers in the region that are driving housing shortages and inflation throughout the NRV. The Town of Blacksburg, lead entity for the NRV HOME Consortium, has consulted closely with planning staff from all three jurisdictions, who are engaged with and support this proposal.

Each jurisdiction is at a different stage of implementing reform of their local zoning ordinances and/or building codes, and each has conducted extensive public engagement activities to receive recommendations and build support for reform. Unfortunately, none of the jurisdictions has had resources available to employ planners specializing in inclusionary housing, zoning, and home affordability to support their initiatives. The immensity of the NRV housing challenge and its critical role in the future economic health of the region suggests that such guidance is not only needed as part of these reform efforts but essential to their success.

- ***Community Outreach and Collaboration***

Like the supportive housing aspects of this application, the regulatory reform components of this PRO Housing proposal have been shaped by years of in-depth collaboration among NRV jurisdictions, service providers, advocates, and affected residents. These collaborations have produced extensive research illuminating the NRV's housing needs and partnership focused on meeting those needs.

The New River Valley Regional + Local Housing Study<sup>9</sup>, funded by Virginia Housing and published in 2021, assessed the region's housing stock for the mix of incomes and life stages of those who live in the NRV and what investment may be required to ensure the stock is desirable to our residents. Land use and zoning reform were identified in the study as important tools that could be used to address regional housing needs. A large advisory board met quarterly and comprised representatives from local government staff, area nonprofits, lenders, bankers, realtors, and housing service providers. The Housing Study Leadership Team met monthly and included local government staff and other housing experts. Ten focus groups were also held with experts from the following fields and organizations: Builders/Developers, Housing Service Providers, Faith-based Communities, Dialogue on Race/NAACP, K-12 Education, Economic Development Directors, Realtors/Lenders, IT Business Owners, Healthcare, and the FOCUS Program. These experts offered detailed insights that helped the team understand the complexities of the market. Focus group data is included throughout the report, providing real examples of qualitative supporting data and explanations for the conclusions and resolutions. An online public survey was also offered garnering 1,158 responses from residents across the region.

New River Valley HOME Consortium staff have supplemented the stakeholder engagement efforts outlined above with conversations during the last month with NRV HOME Consortium board members – local planning staff and elected officials from Pulaski, Giles, Radford and Montgomery Counties plus representatives from New River Community Action, the New River Valley Regional Commission (which oversees the New River Valley Housing Trust fund and Recovery Ecosystem), New River Valley Community Services, and affordable housing developers including Landmark, Inc., and Community Housing Partners. The input of these key partners and stakeholders is captured in the proposed PRO Housing activities detailed earlier in this exhibit.

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<sup>9</sup> [https://nrvc.org/images/pdf/Regional-Local-Housing-Study\\_Detailed-Report.pdf](https://nrvc.org/images/pdf/Regional-Local-Housing-Study_Detailed-Report.pdf)

- ***Public Engagement of Affected Community Members***  
Each jurisdiction has undertaken individual public engagement processes as part of its regulatory reform initiatives.
  - **Montgomery County**  
Montgomery County is working with stakeholders and community members to create Montgomery Matters, a comprehensive plan to guide long-range growth and development in the County. The plan will address various topics, including land use, housing, economic development, and transportation. The plan will also contain Small Area Plans for the six villages in Montgomery. The steering committee is made up of current residents, property owners, and other partners who are helping to define community goals, overseeing the development of community actions and recommendations, and assisting the consultant team in identifying and reaching essential stakeholders. A series of housing stakeholder meetings have been convened with market rate and affordable housing developers, service providers, lenders, and technical experts.
  - **Town of Blacksburg**  
In August 2021, The Town of Blacksburg completed a three-part online public engagement process regarding housing affordability to better understand 1) citizen priorities and concerns, 2) which housing types and densities are acceptable to the community 3) what strategies the community would like the Town to pursue, and 4) what specific concerns exist about the strategies proposed. The Town received over 1,100 survey responses. In 2022, the Town also conducted a survey of developers, local architects, and engineers to identify their biggest concerns with the zoning and land use regulations and the development review process. In 2023, the Town also formed a Subdivision and Zoning Stakeholder Group, which included planning, building, and engineering staff and local development professionals. Specific recommendations made were related to street design and construction sequencing, infrastructure timing, subdivision design, and the development review process. The results of these engagements, combined with the information from the NRV Housing Study, have guided all the activities identified in the progress question of the Needs section.
  - **City of Radford:**  
In November 2023, The City of Radford released a survey to gather community input for the zoning ordinance modernization and to get feedback to help identify desirable developments, ways to improve neighborhoods, and existing barriers. The Consultant and City Staff continue to gather input and have additional community meetings planned for Fall 2024.

### **Supportive Housing Partners**

- ***Key Supportive Housing Stakeholders***  
The NRV HOME Consortium and the Town of Blacksburg, the Consortium’s lead entity, have longstanding relationships with most organizations working to prevent homelessness and to meet the critical needs of unhoused residents in the region. The Consortium is an active member of the NRV Housing Partnership. Operating as the governing body of the regional Continuum of Care (part of the Virginia Balance of state COC) the NRV Housing

Partnership brings together broad, regional network of providers that serve homeless populations and representatives of local jurisdictions to plan for and manage regional homelessness resources.

During the development of its HOME-ARP Allocation Plan, the HOME Consortium held extensive consultations with a broad range of stakeholders, including homeless service providers, veterans' groups, affordable housing developers, supportive service providers, and organizations working to advance fair housing, civil rights, and the interests of persons with disabilities. In October of 2022, The Consortium invited key stakeholders, including members of the NRV Housing Partnership, to sit on an advisory committee guiding the development of the Allocation Plan. Members included representatives from New River Community Action, who will develop and operate the first PSH units to be developed in the region, the Women's Resource Center, New River Valley Community Services, New River Family Shelter, and the City of Radford. Each of these organizations will play important roles in establishing a regional supportive housing system.

While initial outreach regarding the deployment of a regional supportive housing system predates the announcement of 2024 PRO Housing grants, the input received through that process has been integral to the development of this grant proposal. The Town of Blacksburg, lead entity for the Consortium, has conducted extensive follow-up with partner jurisdictions and other key stakeholders as part of this process. Two organizations playing leading roles in the regional deployment of a supportive housing system are New River Community Action (NRCA) and the Corporation for Supportive Housing (CSH).

- NRCA has worked closely with the Consortium in the development of this grant proposal. NRCA works to promote the well-being and self-reliance of individuals, families and communities. Established in 1965, NRCA serves the NRV with more than 1,000 local volunteers and 173 employees to offer a variety of programs that improve the lives of more than 8,000 people each year. NRCA's housing and homeless programs serve roughly 1,000 people annually NRCA manages and operates the following programs in the NRV:
  - Head Start – early childhood education, health, and family support,
  - Children's Health Improvement Partnership (CHIP) – parenting education, child and adult health assessments, and prenatal health education,
  - Whole Family – wrap-around support and coaching for struggling families,
  - Thriving Families – Family Resource Center, parenting support, and family coaching,
  - Homeless and Housing Programs – Rapid Rehousing, Homeless Prevention, Housing Counseling, Renter Education workshops, Housing Choice Voucher Program, To Our House (seasonal shelter for un-housed adults)
  - Virginia CARES – re-entry support for justice-involved individuals,
  - Emergency Assistance and Food Pantries – emergency food and financial assistance,
  - Volunteer Income Tax Assistance (VITA) – tax preparation support,
  - Floyd County Backpack Program – weekend meals for children (NRCA provides fiscal and administrative support), and

- Blacksburg Interfaith Food Panty – emergency food for Town of Blacksburg residents (NRCA provides fiscal support).

The Consortium has conditionally committed \$1.8 million in HOME-ARP grant funding to NRCA to develop and operate PSH units as part of the supportive service system deployment. HOME funds require that all project funding has been secured before finalizing a commitment. This PRO Housing grant will enable the NRV HOME Consortium to finalize our funding commitment and NRCA to overcome the most critical remaining barriers to developing PSH units: financing land acquisition and predevelopment costs and building public support.

- CSH works to advance affordable housing aligned with services (“supportive housing”) as an approach to help people thrive by advocating for effective policies and funding, equitably investing in communities, and strengthening the supportive housing field. The Consortium has consulted with CSH on this proposal and the deployment of an NRV supportive housing system more broadly. CSH previously conducted outreach to the unhoused and formerly unhoused community in the region.
- ***Community Outreach***  
In partnership with CSH, three focus groups were conducted to identify and understand the needs of people experiencing or having experienced homelessness in the community. The first was with currently homeless individuals trying to navigate the housing system in the NRV, the second was with persons with lived expertise (PWLE) who currently receive rent assistance services through NRVCS. The third was in the form of a community design charrette with providers serving individuals with and without access to supportive housing. The goal of the charrette was to identify available resources to meet tenant needs, as well as remaining gaps and potential solutions through collaborations or service enhancements that could inform the project’s overall services plan. The input from these focus groups played a vital role in the development of the supportive housing system concept that will be advanced through this PRO Housing grant.

**How does your proposal align with requirements to affirmatively further fair housing? (5 points)**

The New River Valley HOME Consortium and the Town of Blacksburg have conducted an Analysis of Impediments to Fair Housing Choice (AI) for the New River Valley, as a recipient of HOME Investment Partnership Program and Community Development Block Grant (CDBG) Program. Our analysis revealed four key impediments, which this proposal will directly address:

***Impediment 1: Availability of and access to public transportation***

In the New River Valley, the pattern of modern housing developments has effectively segregated people by income in many areas of the community. In some cases, it relates to the location of subsidized housing, and in others, it is private-sector housing development that contributes to this isolation. If public transportation is made more accessible to lower-cost neighborhoods, then neighborhoods become more connected to the community fabric. Montgomery County, the Towns therein, and the City of Radford have the most extensive transportation system in the



New River Valley and the rezoning efforts will be looking at ways to encourage residential density and a greater diversity of housing types along key public transportation corridors.

***Impediment 2: Lack of affordable housing development***

While construction and housing rehabilitation costs limit housing choice, the way subdivisions are developed also has an impact on the cost of housing and the segregation of individuals by income. Rezoning efforts that support the development of diverse residential housing types at a variety of price points will help increase the supply of affordable housing. The development of the first new supportive housing units also supports efforts to affirmatively further fair housing through increased availability of housing and services for populations with diverse needs.

***Impediment 3: Persons with disabilities face barriers to housing choice and black individuals face a greater rate of homelessness***

Though no assessment of fair housing barriers faced by persons with disabilities has been conducted, evidence from the New River Valley Needs Assessment and Fair Housing complaints suggests that barriers do exist. Disabled persons living on a fixed income have a difficult time affording rent increases. In addition, this population faces trouble in finding affordable rental units that are willing to accommodate the needs of the disabled. The proposed supportive housing program specifically aims to provide deeply affordable housing with services for those with disabilities and complex needs which will provide more housing choice. All housing constructed with HOME funds, including the supportive housing project, must meet ADA and accessibility requirements under the Fair Housing Act and advertise contract opportunities for minority, women, and veteran-owned businesses.

In addition, our racial disparities analysis revealed that even though our black, non-Hispanic population in NRV is small at 4.3%, they represent 13% of those entering the homeless system and have a much higher rate of returning to homelessness, at 6.57%. The housing + services model will incorporate strategies to ensure barriers to housing are addressed. This includes proactive outreach and engagement to individuals experiencing homelessness, low-barrier screening and tenant selection practices, and culturally responsive service planning and delivery. These affirming strategies will help ensure equitable access to PSH and support housing stability for all individuals served. Progress will be tracked through reporting in the Homeless Management Information System (HMIS); this is already being tracked and managed by New River Community Action.

***Impediment 4: Opposition to affordable and special needs housing***

Community resistance to the integration of diverse types of housing into existing neighborhoods occurs in many areas including the New River Valley. This resistance is a major impediment to fair housing choice. Non-profit and for-profit developers encounter difficulties when trying to implement affordable and special needs housing which has an impact on fair housing choice. Even the potential of a controversial development,t can influence the selection of a site and determine whether or not a proposal for affordable housing is submitted for consideration. Residents express their fears and prejudices about certain types of development negatively. Our proposed outreach and engagement efforts will be specifically designed to help elected officials, community leaders, and neighbors understand the fact vs fiction of supportive housing.

In addition, to how the proposed activities align with requirements to affirmatively further fair housing, it is important to describe how NRCA, as the proposed supportive housing developer, currently works to ensure fair and equitable access to support services in the NRV.

As a local umbrella agency hosting the region's anti-poverty programs, NRCA harnesses its expertise in moving individuals and families out of poverty. NRCA works closely with local partners to proactively connect individuals in need with the services and supports most likely to help them succeed. NRCA's central intake team is the first step in this process: the intake process is designed to determine eligibility for services and assess an individual or family's needs. Following the CARE customer service model, the central intake process is Community-centered, Accessible, Respectful, and Equitable. Individuals seeking assistance may call a 24-7 hotline to speak to a Systems Navigator, walk into any NRCA service location for face-to-face assistance, or apply via NRCA's website. Homeless Outreach is conducted one to two times per week in different places around the New River Valley. NRCA recently opened a community hub located centrally in Radford, VA. The community hub brings together all of NRCA's programs and supports under one roof and provides much needed community space for meetings and events. During the intake process, individuals are identified, screened for needs and eligibility, and referred to appropriate services. All individuals are asked about their language and communication needs and connected with language support if needed. Unhoused individuals are assessed, prioritized, and entered into the HMIS Coordinated Entry system within 24 hours. Individuals facing food insecurity, eviction, utility shutoff, lack of childcare, or healthcare are referred to appropriate services via electronic referral. Housing counselors and other front-line staff pick up the electronic referral and complete the intake process by establishing contact with the individual and obtaining the necessary documentation and consent.

#### ***Affirmative Fair Housing Marketing Plan***

The NRV HOME Consortium requires all developers of funded affordable housing projects to submit an Affirmative Fair Housing Marketing Plan (AFHMP), as specified in 24 CFR 200.625, as part of initial project development. This requirement will apply to the HOME-ARP supportive housing project, ensuring equitable housing opportunities for all Virginia protected classes, which include race, color, national origin, religion, sex, elderliness, familial status, disability, source of funds, sexual orientation, gender identity, and military status. The AFHMP provides a blueprint for property owners to effectively market the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy, targeting identified demographic groups within a designated project area. NRCA plans to prioritize individuals for supportive housing referred through our region's Continuum of Care's Coordinated Entry system.

**What are your budget and timeline proposals? (5 points)**

**Proposed Revenue**

PRO Housing Funds	<b>\$ 4,305,000</b>
NRV Home Consortium HOME ARP funds	\$ 2,161,332
Town of Blacksburg Dedicated Funds	\$ 200,000
Montgomery County Dedicated funds	\$ 150,000
City of Radford Dedicated funds	\$ 65,000
<b>Total Sources</b>	<b>\$ 6,881,332</b>

**Proposed Expenditures**

	<b>PROHOUSING FUNDS</b>	<b>LOCAL MATCH</b>
<b>Activity One</b>		
Zoning Reform and Housing Action Plan	\$ 500,000	\$ 415,000
<b>Activity Two</b>		
Supportive Housing Education and Engagement	\$ 100,000	
Supportive Housing Acquisition and Development	\$ 3,500,000	\$ 2,161,332
<b>Project Administration (5%)</b>	\$ 205,000	
<b>Total Expenses</b>	<b>\$ 4,305,000</b>	<b>\$ 2,576,332</b>

**Zoning Reform and Housing Action Plan**

The ProHousing funds will be used to retain a consultant to collaborate with planning teams in the three localities to create a Housing Action Plan to guide and coordinate housing aspects of their land use policy and zoning ordinance rewrites. The local match provided includes funds committed by each locality to retain generalist planning and zoning consultants to assist in their zoning ordinance rewrites. The massive scale of regional housing needs calls for engaging more specialized housing expertise in support of this work. Staff developed the proposed budget based on the scope of current budget items and estimates provided by potential consultants.

**Supportive Housing Education and Engagement**

The ProHousing funds will be used to retain CSH to support community engagement activities and project design. CSH uniquely possesses the technical knowledge and community engagement experience required for this effort to succeed. Having previously consulted with key stakeholders regarding NRV needs, CSH is familiar with and invested in the NRV PSH project vision. Staff developed the proposed budget in concert with CSH based on their cost for work performed for similar services in past projects.

Staff will follow federal procurement requirements for the hiring of both the housing policy specialist and CSH.

**Supportive Housing Acquisition and Development**

As part of the CSH Supportive Housing Development Cohort, the NRCA supportive housing project team has refined a development budget and operating proforma for a 20 unit supportive

housing project(s) based on current costs from nearby affordable housing developments and with guidance on costs specific to supportive housing development.

These costs will continue to be refined once project partners have confirmed a project location(s). Total development cost are anticipated to be approximately \$7,000,000. This includes:

- \$4,850,000 for hard construction costs @ \$242,500 per unit
- \$750,000 in predevelopment and soft costs @ \$37,500 per unit
- \$75,000 capitalized operating and lease-up reserve @ \$4,250 per unit
- \$850,000 developer fee @ \$42,500 per unit
- \$500,000 for land costs @ \$25,000 per unit

NRCA's HOME ARP award will provide \$1,750,681 for construction and development activities once all project funding has been committed. It will also cover \$ 108,066 of costs for capacity building activities provided by NRCA's Technical Consultants and \$108,000 for general NRCA operating support starting this year. The remaining \$194,519 is supporting HOME Consortium staff time on this project and for Corporation for Supportive Housing's technical assistance to develop the supportive housing project concept, outreach to individuals with lived experience, and service planning activities.

The PRO Housing grant would be used to cover land acquisition, and predevelopment and soft costs that no other funding source can pay for before all funding has been committed, estimated at \$1,250,000. The remaining \$2,250,000 requested PRO Housing funds and the \$1,750,681 in HOME ARP funds would cover the costs needed to develop 14 supportive housing units.

Our project team still has a goal to create a total of 20 supportive housing units; the remaining funds needed would be sought through our regular funding avenues, including the Virginia State Housing Trust fund and State HOME programs. With the PRO Housing grant award and predevelopment work complete, we feel confident that we can secure the remaining funding needed and within the 2030 Prohousing and HOME ARP grant deadline(s). If no other funding materializes, the PRO Housing grant still provides enough funding to ensure a successful first supportive housing development project with 14 units and a new supportive housing program and developer in the New River Valley region.

### **Administrative Costs**

NRV HOME Consortium staff considered the amount of staff time necessary to manage and coordinate grant activities, ensure federal reporting and compliance, and document lessons learned. Match administrative funding is being provided through the HOME ARP funding.

### **Priorities without Full Funding**

While full funding for the proposed activities would do the most to address the identified public policy and zoning barriers and ensure a successful first supportive housing project, if the NRV HOME Consortium were able to receive a partial award it would prioritize the following three activities:

- \$300,000 to support a targeted housing action plan focused on priority housing policy barriers in Montgomery, Blacksburg and Radford

- \$100,000 to support community engagement and education around supportive housing.
- \$1,250,000 to support land acquisition and predevelopment dollars.

Overall, the NRV HOME Consortium could affect positive change with a reduced award, but it would mean: 1) HOME Consortium staff would need to work with NRCA to attract more sources of funding for supportive housing development, which would require a smaller first supportive housing development. 2) Montgomery County, Town of Blacksburg and Radford would not benefit from a holistic review of housing and land use policies in each jurisdiction to optimize rezoning efforts.

### **Project Timeline**

All proposed activities will begin as soon as the NRV HOME Consortium is awarded funding. The timing may shift based on the ProHousing grant award timeline.

### **Zoning Reform and Housing Action Plan**

- Zoning Consultant RFP for Montgomery County and Blacksburg – Q1 2025
- Zoning Consultant Proposal Review and Selection for Montgomery County and Blacksburg – Q2 2025
- First Draft Comprehensive Zoning Rewrite for Radford- Q2 2025 *(Note: Radford is committed to making additional housing policy reforms based on the work with the housing policy consultant, even if it enacts some zoning reforms before the housing action plan's completion).*
- Work Underway – Q3 2025 and forward
- Housing Policy Consultant RFP for Montgomery County, Town of Blacksburg, and City of Radford – Q3 2025
- Housing Policy Consultant Proposal Review and Selection for Montgomery County, Town of Blacksburg, and City of Radford – Q4 2025
- Work Underway – Q1 2026 and forward

### **Supportive Housing Education and Engagement**

- CSH Procurement and Contract - Q2 2025
- Work Underway – Q3 2025 and forward

### **Supportive Housing Acquisition and Development**

- Exploring opportunities for land/site acquisition- Ongoing
- Land purchase complete – Q4 2025- Q1- 2026
- Predevelopment Phase- Q4 2025 – Q4 2026
- Secure Remaining Financing- Q1-4 2026
- Site Work/Rehabilitation and Development- Q1-Q4- 2027
- Lease Up- Q2- 2028

**Exhibit E CAPACITY**

**New River Valley HOME Consortium**

**What capacity do you and your Partner(s) have? What is your staffing plan? (10 points)**

The New River Valley HOME Consortium will lead the implementation of the proposed activities. The Town of Blacksburg serves as the lead entity to the NRV HOME Consortium. More specifically, the Town of Blacksburg’s Housing and Community Connections (HCC) office supports affordable housing development initiatives for both the Town and the NRV HOME Consortium. The office has a high level of experience managing federal sources of funds. Currently the office administers:

- An annual allocation of approximately \$600,000 in NRV HOME Consortium funds
- A \$2.1 million allocation of HOME ARP funds
- An annual allocation of approximately \$550,000 in Town of Blacksburg Community Development Block Grant funds
- \$7 million of ARPA funds for affordable housing development, community development, childcare, and retail development grant activities for the Town of Blacksburg

The HCC office also administered the CARES Act funding received during the height of the COVID pandemic on behalf of the Town of Blacksburg, Town of Christiansburg, and Montgomery County. This involved quickly developing five grant programs, which served 500 nonprofits, local businesses, restaurateurs, and childcare providers.

The HCC office works in tandem with both the Town of Blacksburg’s Finance Department and the Town Attorney to ensure financial management and oversight and to develop and review sub recipient agreements, policy, and procedural changes related to Town, State, and Federal requirements.

In addition to our proven capacity to administer federal funds, the NRV HOME Consortium has a record of accomplishment managing complex and innovative projects. The most recent example of this is the Old Prices Fork School Community Revitalization Project. The project converted the former classrooms of the old Prices Fork Elementary School into 16 mixed income apartments for people 55 and older, created the Millstone commercial incubator kitchen for new and expanding local food-based entrepreneurs, a farm-to-table restaurant and craft brewery. The project included a second phase with 16 additional mixed income apartments. The project was a unique and unprecedented collaboration of 21 public and private organizations and a variety of complex funding sources.

Overall PRO Housing grant administration will be managed by the following:

**Matt Hanratty, Town of Blacksburg, Deputy Town Manager**

Hanratty holds a bachelor’s degree in Environmental Policy and Planning and master’s degree in Public Administration from Virginia Tech. In 2006, Hanratty began work as the Housing and Neighborhood Services (HNS) Manager for the Town of Blacksburg. In this role, he was responsible for all aspects of the Town's Community Development Block Grant (CDBG) program and the creation of the New River Valley (NRV) HOME Consortium. Hanratty will provide key leadership and facilitate engagement with local government leaders to accomplish grant activities.

**Kim Thurlow, Town of Blacksburg, Housing and Community Connections Manager**

Thurlow holds a bachelor's degree in Environmental Policy from American University and a master's degree in Social Ecology from Yale University. Thurlow has supported the Town's HCC office for five years. Previously, she held positions at the New River Valley Regional Commission where she implemented the New River Valley Livability Initiative, a 3-year HUD funded regional planning process, and as the Director of Community Programs at the Community Foundation of the NRV where she oversaw their grant making. Thurlow will provide key leadership and support the implementation of all PRO Housing activities.

**Christopher Ptomey, Town of Blacksburg, Housing Programs Administrator**

Ptomey holds a bachelor's degree from Haverford College and a law degree from George Mason University. Ptomey started with the HCC office in 2024 and previously served as executive director of Urban Land Institute's Terwilliger Center for Housing. He also led Habitat for Humanity's US government relations team, served as federal liaison for the Texas Department of Housing and Community Affairs, and was senior legislative assistant to Rep. Michael Collins (GA). Ptomey will support all PRO Housing activities and lead the housing action plan work.

**Jill Maher, Town of Blacksburg, HOME Program Coordinator**

Maher holds a bachelor's degree in Sociology from Roanoke College and master's degrees in Social Services and Law and Social Policy from Bryn Mawr College. Maher joined the HCC office in 2023 and has extensive experience working directly with low income and marginalized individuals and families while working with the City of Philadelphia Office of Behavioral Health, as Child Advocate with the Philadelphia Public Defenders Office, and as a supervisor for a team of foster care case managers. Maher will support the development of NRCA's supportive housing program and the implementation of community outreach and engagement efforts.

**Ellen Stewart, Town of Blacksburg, Grants Coordinator**

Stewart has over 30 years of experience working in the housing and community development sectors. She has worked for the HCC office for a decade and primarily handles HOME and CDBG grant and project compliance. Stewart is also responsible for our HUD Analysis of Impediments to Fair Housing Choice, is Fair Housing Certified, and annually organizes fair housing training for area residents and property managers. She previously worked at the community level to develop educational programming to address racism and promote cultural understanding in diverse populations. Stewart will support all aspects of PRO Housing grant and program compliance.

**Jennifer Wilsie, New River Valley Regional Commission, Director of Housing**

Wilsie holds a bachelor's degree in English from Virginia Tech and is a Certified Planning Professional. For the last 17 years, she has worked extensively with affordable housing and community development projects throughout the region, including the completion of the Regional + Local Housing Study in 2021. She also serves as HOME Consortium staff and leads the development of the NRV Regional Housing Trust Fund. Wilsie is supporting the development of the supportive housing program.

The NRV HOME Consortium staff are responsible for preparing this grant application, with the support and input of all the other partners listed below.



## **HOUSING ACTION PLAN AND ZONING REFORM**

The Housing and Community Connections office will oversee planning activities in partnership with a primary point person in each of the three jurisdictions. Additional planning staff will also help to support the work under the guidance of the point people below.

### **Andrew Warren, Town of Blacksburg Planning Director**

Warren holds a bachelor's degree in Political Science and a master's degree in Public Administration from Virginia Tech. For 22 years, Warren has dedicated his career to local government, having worked for the Town of Blacksburg as Zoning Administrator, the City of Roanoke, and most recently as Assistant Town Manager in Christiansburg, Virginia before returning to the Town of Blacksburg.

### **Kali Casper, Town of Blacksburg, Planning Specialist**

Casper holds a bachelor's degree in Public and Urban Affairs and master's degree in Urban and Regional Planning degree from Virginia Tech. She also serves as a member of the American Institute of Certified Planners and is a Certified Zoning Official. As the Town's Assistant Planning Director, Casper led town staff in public hearings on proposed land use, zone changes, and the administrative plan review process to determine subdivision and site plan compliance with town regulations. In her new role, Casper will advance long-range planning initiatives including the Town's zoning reforms.

### **Brea Hopkins, Montgomery County, Planning and Zoning Administrator**

Hopkins holds a bachelor's degree in Geography with a concentration in planning from Radford University. She obtained her Certified Zoning Administrator and Certified Transportation Manager credentials while serving on the executive committee for the Virginia Association of Zoning Officials. Over 23 years, Hopkins has served in numerous roles at Montgomery County, most recently as Planning and Zoning Administrator, which she began in February 2021. Hopkins serves on the NRV HOME Consortium board.

### **Melissa Skelton, City of Radford, Director of Planning and Zoning**

Skelton holds a bachelor's degree in Geography with a concentration in Planning and GIS from Radford University. Over 17 years, Skelton has served in numerous roles including Clerk of Council and Planner, before serving as the Director of Community Development/ Transit Coordinator. Skelton currently administers the City's CDBG allocation. Skelton has also served on the NRV HOME Consortium board since its inception in 2007. Skelton's working on local zoning reform, Skelton will assist with supportive housing engagement and outreach activities involving Radford's local government leaders.

## **SUPPORTIVE HOUSING PROGRAM**

In addition to the NRV HOME Consortium administrative team, the following partners listed below will be tasked with building and advising the Supportive Housing Program.

### **New River Community Action**

The Housing and Community Connections office will coordinate the Supportive Housing Program education and outreach activities in partnership with NRCA. NRCA, with the help of its development consultants, will be responsible for the design, construction, and development of

the Supportive Housing program and the construction of its first units. The NRV HOME Consortium is responsible for underwriting the project to ensure it will be sustainable, that NRCA has the capacity and community connections it needs to be successful, and that NRCA is compliant with grant obligations.

As a local umbrella agency hosting the region's anti-poverty programs, NRCA harnesses its expertise in moving individuals and families out of poverty. NRCA works closely with local partners to proactively connect individuals in need with the services and supports most likely to help them succeed. NRCA serves five jurisdictions in Southwest Virginia: Floyd County, Giles County, Montgomery County, Pulaski County, and Radford City. NRCA also administers The New River Valley Local Planning Group of the Balance of State Continuum of Care Program, which maintains the local coordinated entry system.

**Casey Edmonds, New River Community Action, Homeless and Housing Programs Director**

Since beginning at NRCA six years ago, Ms. Edmonds has managed NRCA's Housing and Homeless programs with attention to equity and accessibility. Edmonds supervises a team of housing specialists, housing counselors, outreach and shelter operations, and the Housing Choice Voucher program. Edmonds is a certified housing counselor with HUD and the Virginia Association of Housing Counselors. In 2022, she led a racial equity process with the New River Valley Housing Partnership. Edmonds currently manages multiple HUD-funded programs and has also served as a permanent supportive housing specialist in a previous role with the Mt. Rogers Community Service Board. Edmonds will serve as project lead for the supportive housing program and the NRV HOME Consortium's main point of contact.

**Michelle Cox, New River Community Action, CFO**

Cox has served as NRCA's accountant, then CFO, for 23 years. NRCA has 173 employees and annual revenues averaging \$8 million and has extensive experience managing federal funds for various HUD programs. NRCA maintains and regularly updates its Financial Policies and Accounting Procedures Manual, which addresses areas such as purchasing policies and procedures, procurement procedures, inventory, property and equipment, policies associated with cash receipts, policies associated with expenditures and disbursements, and policies associated with financial reporting, annual financial statements, and the annual audit. In accordance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, NRCA maintains a financial management system that provides for accounting, documenting, tracking, and management of grant awards.

**Jennifer Smith, New River Community Action, CEO**

Smith has a bachelor's degree from San Diego University and a law degree from George Mason University. She started with NRCA in 2024 and has had previous executive experience with INMED Partnership for Children and the Paxton Trust. Smith will provide leadership to Edmonds, as she develops NRCA's supportive housing program.

**Jeff Smith, WOM Consulting**

Smith served 24 years in affordable housing including six in family services with Greater Lynchburg Habitat for Humanity and eighteen with Rush Homes in Lynchburg as developer/project manager and Executive Director. Smith is also a certified Housing

Development Finance Professional (HDFP) by the National Development Corporation (NDC) was inducted into the Virginia Housing Alliance Housing Hall of Fame Smith in 2023. He raised over \$30 million to develop multi-family Low Income Housing Tax Credit properties and additional scattered site housing in the Lynchburg region. Smith is experienced in all phases of development and project management including supportive housing project design, financial viability, grant writing, property management, and all aspects of housing organizations especially those serving niche populations such as individuals/families who are homeless and/or have disabilities. Smith and Kegley (see below) have been retained to support NRCA throughout their first supportive housing development project, to transfer their knowledge and provide additional capacity.

#### **Andy Kegley, WOM Consulting**

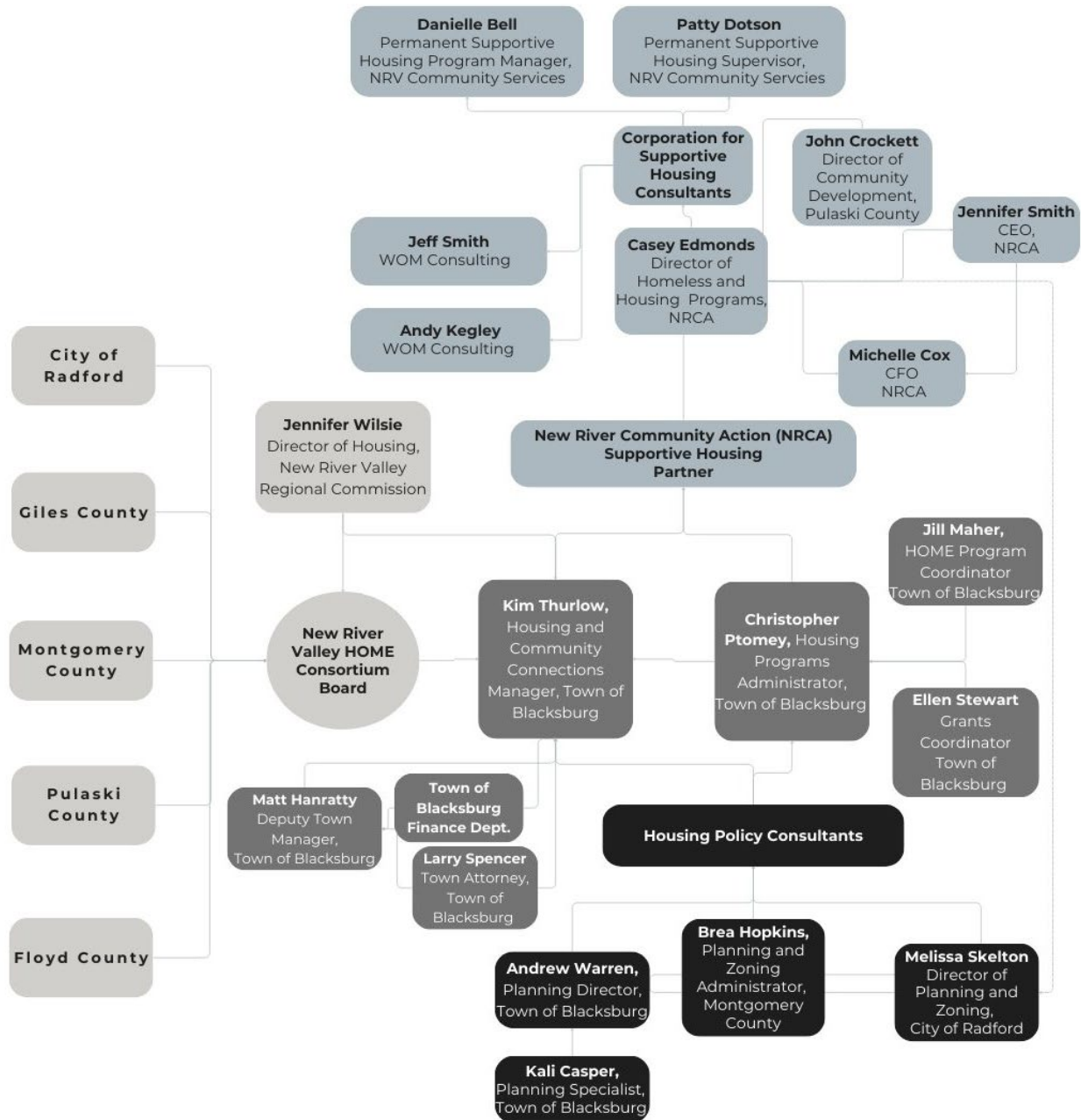
Kegley served as Executive Director of Helping Overcome Poverty's Existence, Inc. (HOPE) a non-profit housing and food security organization based in Wytheville, now Open Door Community, for 30 years. Kegley completed the Achieving Excellence program at the Kennedy School of Government at Harvard in 2007, served as the chairman of the board of Fafe from 2012-16, and on the boards of Virginia Housing Alliance. In 2018, he led the opening of HOPE's social enterprise, the Open Door Café, a 'donate-what-you-can restaurant. He was the recipient of the VHA 7th annual Virginia S. Peters Housing Award in 2010. Kegley has extensive experience in managing an agency responsible for both affordable housing development and service provision, consolidating human service agencies and housing programs to increase impact, working with federal and state funding sources, and overcoming NIMBYism. Kegley and Smith are providing the capacity building and knowledge transfer needed to stand up a supportive housing program at NRCA.

#### **John Crockett, Pulaski County, Director of Community Development**

Crockett holds a bachelor's degree from Radford University. His work at Pulaski is focused primarily on the sustainability, growth, and improvement of the County's housing stock and associated infrastructures. Prior to Pulaski, Crockett served as a Regional Planner for the Northern Shenandoah Valley Regional Commission, where he collaborated with stakeholders in creating and implementing long-term comprehensive plans to help guide growth and development across the region. Crockett is an NRV HOME Consortium board member and will assist with supportive housing engagement and outreach activities with Pulaski's local government leaders.

**Patti Dotson, Community Living Program Director, NRV Community Services** Dodson holds a a bachelor's degree in Psychology and master's degree in Counseling from Radford University. Dodson provides administrative oversight and leadership to long-term residential service programs including Sponsored Residential, Waiver Group Homes, Assisted Living Facility, Community Engagement and Permanent Supportive Housing. Her current role allows me to work with the regional and state PSH representatives in the Community Service Board network and with the housing office from DBHDS to continue to grow and move the program forward in Virginia. Dotson has work for NRVCS for over 34 years and has extensive experience with the SMI population through her work at our Clubhouse program, Case Management Services and Mental Health Skill-Building Services.

# Organizational Chart



**Exhibit F LEVERAGE**

**New River Valley HOME Consortium**

**Are you leveraging other funding or non-financial contributions? (10 points)**

	<b>PROHOUSING FUNDS</b>	<b>LOCAL MATCH</b>
<b>Activity One</b>		
Zoning Reform and Housing Action Plan	\$ 500,000	\$ 415,000
<b>Activity Two</b>		
Supportive Housing Education and Engagement	\$ 100,000	
Supportive Housing Acquisition and Development	\$ 3,500,000	\$ 2,161,332
<b>Project Administration (5%)</b>	\$ 205,000	
<b>Total Expenses</b>	<b>\$ 4,305,000</b>	<b>\$ 2,576,332</b>

## **Exhibit G Long-Term Effect**

### **New River Valley HOME Consortium**

**What permanent, longterm effects will your proposal have? What outcomes do you expect? (10 points)**

1. Antiquated codes: Major zoning and regulatory reform initiatives are underway in the NRV’s economic engines—Montgomery County, the Town of Blacksburg, and the City of Radford, and PRO Housing funds would provide the opportunity to prioritize focus on housing needs in the context of these efforts. By enabling these jurisdictions to integrate external inclusionary housing, affordable housing development, and residential zoning expertise into their zoning rewrites and other regulatory reforms, a PRO Housing grant will enable them to do the following.

- Apply residential zoning and other nationally recognized, regulatory best practices to local contexts to significantly increase housing production and affordability over time by
  - Increasing residential density: Research indicates that restrictions maintaining low residential density increase the cost of housing and reduce the elasticity of supply, thereby undermining housing markets’ ability to respond to increased local demand.<sup>10</sup>
  - Enabling more mixed-use and mixed-income development: There is high demand for housing in walkable communities, and in high-growth areas such as Montgomery County, Blacksburg, and Radford, “the market-rate share of a mixed-income development can generate more income than is necessary to cover costs for developing these units. These profits can fill the gap between income and expenses for the portion of units that are rented or sold at affordable (below-market) rates.”<sup>11</sup>
  - Incentivizing the development of low-cost units: Effective incentives to stimulate affordable housing development that could be adopted include
    - Reduced parking requirements,
    - Streamlined development approval (entitlement) processes,
    - Streamlined environmental review,
    - Reduced or waived development fees,
    - Tax abatements and exemptions<sup>12</sup>.

and

- Phase implementation of new housing production and affordability strategies as needed to prove concepts, to build public support, and to expand incrementally implementation of the strategies. Because many concerns underlying NIMBYism are not well founded, reforms, particularly zoning reforms, can be tested in one location and then expanded when development proves not to overwhelm local infrastructure (physical and organizational) or undermine neighborhood quality.

Because regulatory reforms such as these tend largely to stay in place over extended periods of time (often decades), the impact of the reforms ultimately adopted are expected to remain

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<sup>10</sup> “Regulation and Housing Supply,” *Handbook of Regional and Urban Economics*, 2015, <https://www.sciencedirect.com/science/article/abs/pii/B9780444595317000193>

<sup>11</sup> “Common Incentives and Offsets in Mixed-Income Housing: Benefits of Mixed-Income Communities,” National Housing Conference, <https://nhc.org/policy-guide/mixed-income-housing-the-basics/common-incentives-and-offsets-in-mixed-income-housing/>

<sup>12</sup> “Incentives to encourage the development of lower-cost housing types,” Local Housing Solutions, <https://localhousingsolutions.org/housing-policy-library/incentives-to-encourage-the-development-of-lower-cost-housing-types/>



in place at least for decades. If the reforms prove as effective as expected, those positive outcomes would likely lead to strong public support and longer term or even permanent adoption of the approaches they embody.

2. Financing of Permanent Supportive Housing (PSH) Units: Because the NRV lacks experienced supportive housing providers, little capital is available to invest in predevelopment or land acquisition to achieve site control, which would then allow access to more routine affordable housing resources such as the NRV Housing Trust Fund and the NRV's annual HOME program allocations. Though local providers have robust supportive services programs in place to assist qualifying populations in areas such as housing counseling, financial aid, health care, addictions and mental health support, the lack of stable, affordable housing, particularly PSH, consistently hinders their efforts. By providing PSH units and case management services to qualified individuals, the supportive services available in the region will be delivered more consistently and effectively, stabilizing housing for PSH residents, improving their quality of life<sup>13</sup>, and reducing the population of unhoused, unsheltered individuals and families in the region<sup>14</sup>. The successful completion of this first supportive housing project and a portion of the resulting developer fee will also be re-invested in predevelopment and land acquisition costs of future supportive housing development projects to help start creating a flexible source of future development funding.
3. Capacity: The NRV has limited organizational capacity to develop PSH and provide services to formerly unhoused individuals and households. The willingness of NRCA to create a supportive housing development arm of their organization will increase the region's capacity to provide purpose built PSH units. NRCA will naturally increase its capacity through the supportive housing engagement and education activities and by initiating a supportive housing development pipeline. The support provided to NRCA by both CSH and their development consultants will also continue to increase their capacity.
4. Public opposition: NIMBYism is an issue that threatens the viability both of zoning reform and of the development of permanent supportive housing in the NRV. Creating an effective, replicable strategy and process to engage the public around controversial land use issues will both help advance the regulatory reform initiatives and PSH deployment plan supported by this proposal and provide NRV and other rural jurisdictions a proven tool for future engagements in support of affordable housing development. Additionally, with each engagement, stakeholders and the public will develop a better understanding of the housing context, generally, providing a foundation of knowledge that will build on itself with each subsequent engagement, enhancing the effectiveness of future public outreach around similar issues and projects.

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<sup>13</sup> "Study Finds Permanent Supportive Housing is Effective for Highest Risk Chronically Homeless People," University of California San Francisco (2020), <https://www.ucsf.edu/news/2020/09/418546/study-finds-permanent-supportive-housing-effective-highest-risk-chronically>

<sup>14</sup> "The impact of permanent supportive housing on homeless populations," Kevin Corinth, *Journal of Housing Economics*, March 2017, <https://www.sciencedirect.com/science/article/abs/pii/S1051137715300474>