

Industrial Revitalization Fund (IRF)

2025 INSTRUCTION MANUAL



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Introduction

The Industrial Revitalization Fund (IRF) has a proposed \$5.5 million available for Fiscal Year 2025 (FY25) for the strategic redevelopment of vacant and deteriorated industrial properties across the Commonwealth. The General Assembly will finalize the total funding available in the spring of 2024.

For the purposes of this program, the term “industrial” means any non-residential structure significant to the community due to size, location, and/or economic importance. Remnants of past economic vibrancy and local economies in transition, these structures are no longer suited for their former purpose, and in their current deteriorated condition, stand as a substantial deterrent for future economic opportunity in the surrounding area and region.

Financial barriers typically block the timely redevelopment of these structures and often require more than local resources to attract private sector investment in order to make a deal cash flow. This is especially true in distressed areas. Therefore, the allocation is meant to leverage local and private resources to achieve market-driven redevelopment of these structures, creating a catalyst for long-term employment opportunities and on-going physical and economic revitalization. Eligible properties and structures must be vacant and deteriorated and may be redeveloped for any market-driven purpose including mixed-use, regardless of the original use. For purposes of IRF, market-driven purpose is defined as guided by market trends and consumer needs based on market research where there is an actual need to be fulfilled or a market problem to solve.

Availability of Funds

The funding available in FY 2025 is a one-time allocation to replenish the Virginia Derelict Structures Fund (DSF) established under §36-152 of the Code of Virginia. The Virginia Department of Housing & Community Development administers these funds under the Industrial Revitalization Fund (IRF) Program.

Award Amounts

For projects funded through the General IRF state funds, the maximum award is up to \$1,000,000 per project; however, an applicant may apply for less. IRF awards are intended to provide gap funding and shall not be used as a substitute for other funds the applicant has already committed to a project. IRF state fund awards require at least a 1 to 1 match of IRF dollars.

Eligibility

Eligible Applicants

Only local governments (cities, counties, or towns), and regional or local economic or industrial development authorities may submit applications for funding. A unit of local government may apply directly for funding to use on publicly owned property **OR** on behalf of a for-profit or non-profit entity for privately owned property. Localities may designate a redevelopment authority or another similar organization as an agent for project implementation and administration.

Award Funding Structures

While applicants should indicate whether funds are requested as a loan or a grant, DHCD reserves the right to award funding in the manner most appropriate to the project, and to recommend alternative structures as necessary. For both loans and grants, the expectation is that financing to complete the entire project as specified in the IRF application has been secured as evidenced by formal letters of interest, term sheets, or commitment letters.

DHCD will issue an **IRF GRANT** under the following conditions:

- The property is publicly owned;
- The privately owned property has an option agreement/contract in place for purchase by a local government at the time of the application; or
- The private property is owned by a not-for-profit, tax-exempt entity.
- Financing to complete the entire project as specified in the IRF application has been secured as evidenced by formal letters of interest, term sheets, or commitment letters. In cases where the local government intends to lease the property to a private, for-profit entity, a market rate lease is required; **upon resale of the property to a private, for-profit entity, DHCD may require repayment of a prorated grant amount.**

DHCD will issue an **IRF GRANT/LOAN** under the following conditions:

- The property is owned by a private, for-profit entity and the end-use will be owned by a private, for-profit business.
- Financing to complete the entire project as specified in the IRF application has been secured as evidenced by formal letters of interest, term sheets, or commitment letters.
- IRF Grant/Loans may be funded as a grant to the applicant local government (or local Development Authority), who will in turn make a loan to the for-profit entity. The following standard terms and conditions will apply to all projects unless DHCD determines that a regionally significant project requires more favorable terms. The terms of the loan must be agreed to by DHCD.
 - Interest Rate: 3.5%
 - Amortization: Up to 20 Years (negotiated on a project-by-project basis)
 - Environmental Review
 - DHCD will require an executed performance agreement with the developer

If the locality is unwilling to manage the loan, or, by DHCD's determination, unable to manage the loan, the loan may be underwritten by Locus(formerly VCC). In this case, Locus will require a commitment fee of 1% (50% due within 14 days of execution of IRF loan performance agreement and the remainder at IRF closing).

All projects, regardless of award structure, must be ready to execute a contract or performance agreement for the IRF funds by **January 31, 2025**.

- Agreements may be executed simultaneously to the closing of the first trust lender for primary financing or after; however, IRF grant/loans **will not close before** all other sources of primary financing are closed or commitment letters with a closing date have been issued.
- Failure to execute the contract or performance agreement within six months of award may result in the IRF funds being reprogrammed to another project. The applicant will be given the opportunity to apply again once the project is more prepared for IRF loan closing. DHCD has the discretion to offer an extension beyond six months where delays are caused by circumstances beyond the control of the developer.

All projects, regardless of award structure, will be required to have a deed covenant/restriction or a lien for a period of ten years that requires DHCD approval prior to any sale or change in end-use for the property. In the case of a sale to private sector entity and/or a change of use during the ten-year period, DHCD may require a prorated repayment of the IRF funds based on the number of years of the deed restriction remaining.



Match

To demonstrate project viability and the applicant’s commitment, applicants receiving funding from the General Fund appropriation are required to provide a 100 percent (1:1) local match from private or public sources. The match must either be cash or documented costs that are directly associated with the improvements to the property where IRF funds are expended. Local match may include federal (CDBG or other), state, local, and private funds spent on activities directly related to the targeted project within the last **full** fiscal year (on or after July 1, 2023).

A locality may use documented administrative costs as up to five percent (5%) of the local match. The use of administrative costs as local match must be outlined in the application and will need to be documented through invoices or payroll records. The locality must provide a description of specific in-kind resources committed, including methods used to determine their value.

Example: An applicant that is seeking a \$300,000 IRF grant must provide a match of at least \$300,000 (100% match). Local match in excess of \$300,000 will increase the application’s score. This applicant could include up to \$15,000 in documented administrative costs in their \$300,000 match.

IRF funds may not be used as a substitute for other funds the applicant or end-user has already committed to a project. If the project proposes a for-profit, private end-use, DHCD considers an equity investment by that entity into the IRF project as an indication of long-term commitment to the project.

Eligible Match:

- Acquisition costs - include current property appraisal as documentation of value or documentation of purchase price (HUD-1 Settlement statement, bill of sale, or deed), whichever is less;
- Documented costs **directly** associated with **physical activities** on the IRF project site;
- Construction-related soft costs such as engineering, design, or architectural activities (must be specifically identified in the application);
- Investments into Machinery & Tools, taxable by the locality;
- Public notices, permit or dumping fees, and inspection costs (or waivers of such) directly related to physical activities (must be specifically identified in the application);
- No more than five percent (5%) local match will be accepted as in-kind or cash for out-of-pocket administrative costs.

Ineligible Match:

- State or local taxes;
- Site remediation;
- Interest or principal payments on current debt on the property;
- Investments in Business Personal/Tangible Property (Furniture, Fixtures, and Equipment).

Eligible Use of Funds

The IRF program is flexibly designed so that funds can be used for a wide variety of revitalization and redevelopment activities such as **acquisition, rehabilitation, or repair** (including securing and stabilizing for subsequent reuse) of specific structures, as well as **demolition, removal**, and other **physical activities**. Grant administration is **not** an eligible activity for IRF.

In the case of acquisition, DHCD will limit its financial participation to the property's fair market value and the associated legal costs of acquisition. Fair market value is the lesser of the property's documented acquisition costs or appraised value. IRF funds may also be used for the legal costs associated with demolition.

However, funds may not be used **solely** for acquisition or demolition. A portion of IRF funds may be used for acquisition if it can be demonstrated that the locality has:

- 1) committed other redevelopment funds to the property,
- 2) a market-based redevelopment plan outlining reuse options and target markets/niches, and
- 3) a property marketing strategy including the entity responsible for implementation.

Generally, demolition should be used only in circumstances where the size or location of a building precludes any significant redevelopment potential or in cases where there is an imminent safety threat.

Site remediation is **not** an eligible activity for IRF. Virginia's Department of Environmental Quality offers several programs to assist with remediation and environmental assessment including the Voluntary Remediation & Brownfields/Land Renewal Programs. Visit <http://www.deq.virginia.gov> for more information.

It is **not the intent** of the IRF Program to fund the relocation of existing Virginia businesses into a redeveloped structure, particularly if the relocation or expansion occurs simultaneously with the closure or significant reduction of operations in another Virginia locality. If this type of project is proposed as part of a significant expansion, the applicant must demonstrate that it is clearly part of the community or region's economic development strategy and how business relocation has a quantifiable impact on that strategy.

Eligible Properties

According to the Code of Virginia § 36-3, a "blighted property" means any individual commercial, industrial, or residential structure or improvement that endangers the public's health, safety, or welfare because the structure or improvement upon the property is dilapidated, deteriorated, or violates minimum health and safety standards, or any structure or improvement previously designated as blighted pursuant to § 36-49.1:1, under the process for determination of "spot blight."

The program is targeted toward (functionally) **vacant and deteriorated** properties whose poor condition creates a notion of physical and economic blight in the surrounding area, and often is a deterrent to surrounding development. Projects may consist of multiple properties provided they are adjacent and/or adjoining and are related in either their negative impact (e.g., three adjacent severely deteriorated downtown buildings that create a negative impact on the remainder of the block) or end use (e.g., rehabilitation of an abandoned warehouse into a shell building with purchase of adjacent property for parking.)

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

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

Former Property Uses		
Eligible		Ineligible
● Manufacturing	● Department stores	● Solely residential
● Warehousing	● Theaters	● Scattered site projects
● Mining	● Hotels	● Greenfield sites
● Transportation	● Shopping Centers	
● Power Production	● School Buildings	



Fund Access

In the case of **GRANTS**, a contract between DHCD and the grantee outlining end products, conditions, fund disbursement, and termination must be executed **before any funds are disbursed**. Funds may only be used for **expenses incurred after the signing of the contract, unless otherwise negotiated with DHCD**. IRF grant funds are available on a **reimbursement basis only**, for **costs** the applicant has incurred and/or paid for. Documentation of matching funds must be submitted with each remittance before any funds are disbursed.

In the case of **GRANT/LOANS**, IRF funding will be released as a grant to the applicant local government entity (or approved Economic Development Authority), or Locus (formerly Virginia Community Capital), at DHCD's sole discretion, who will then make a loan to the private developer pro-rata with other funders or once other sources are expended. This will be determined in discussion with developers upon DHCD's award notification.

Funding Priorities

The ultimate intent of the IRF program is to fund **shovel-ready** projects that will act as a catalyst to spark additional private investment and job creation in distressed areas that have been targeted for economic development and community revitalization as part of a larger economic restructuring or economic development strategy. Based on that intent, DHCD has established the following funding priorities:

1. Clear relationship to a local or regional economic development strategy

Applicants must identify the economic development strategy that the proposed project will support. This strategy should be an element of an existing redevelopment, blight removal, or economic development plan, and applicants should cite the specific documents that substantiate the goals of project. Applicants must explain what is currently being done in the community and how the IRF funds will accelerate and expand those economic restructuring and development activities. Additionally, the application should identify why the proposed project's **degree of blight** is being prioritized for IRF funds over other projects in the locality.

2. High deterioration to be addressed

Applicants must describe the extent of the physical deterioration and identify the negative impact the property is having in the community. DHCD is seeking to invest in projects that will address the negative impact the property has on the community's ability to attract private investment and job creation. Applicants must demonstrate that addressing the property is a local priority, and projects that seek to repurpose a property will be given more consideration than projects that focus only on demolition/site clearance. Higher priority will be given to projects involving blight abatement and elimination, than those proposing blight prevention.

3. Project readiness

DHCD will give higher priority to shovel-ready projects that will lead to the efficient and **immediate** redevelopment of blighted properties. **Readiness scores will be reviewed first by DHCD, and a minimum score will be required to be considered for funding.** Projects that can demonstrate "readiness to proceed" will be given the greatest consideration. Readiness to proceed is demonstrated by having **finalized plans** and **primary financing in place** (formal letters of interest, term sheets or letters of commitment) for an identified **end-use/user**. Capacity for project implementation by the locality or developer will also be a consideration in project readiness. For applications requesting grant funding, readiness to proceed should be demonstrated by community support for the project, and the receipt of public input where appropriate.

NOTE: *Any developers, contractors, and professional services funded by an IRF grant must be procured in accordance with the [Virginia Procurement Act \(VPPA\)](#). Applicants should submit documentation to detail that procurement requirements have been met for any professional services contracted to date. Grantees will be required to submit documentation to detail that procurement requirements have been met, prior to any execution of contracts that obligate IRF funds. See the list of items that should be provided, if available, to show project readiness (page 12).*

Projects that can show the ability to close on the IRF loan or go under contract with DHCD within six months of an IRF award notification will be the most competitive for funding. DHCD reserves the right to withdraw funding should the applicant not be under contract/close the IRF loan in a reasonable amount of time. DHCD also reserves the right to withdraw funding if there are substantial or significant changes to the development team, scope of work or community economic benefit.

4. Project with a clear end-use.

Successful applicants will be able to identify a tangible end-use to be completed in a reasonable amount of time, typically an 18-month timeframe. Successful projects will have executed development agreements, commitment letters from non-profit partners, operations/management agreements, leases for space, and detailed operations plans. Projects that have speculative or undetermined end uses will be considered a lower priority. If the application proposes a non-profit end-use, the applicant or end-user must demonstrate long-term sustainability by providing a ten-year operating pro forma and other documentation of financial solvency.

5. End use will have a clear and significant community economic impact.

Applicants must describe how the project will have a clear positive impact on the community. This includes both the economic impact of the construction process and the end use. Applicants should demonstrate a commitment to ensuring IRF projects seek outreach opportunities for local developers and subcontractors and SWAM certified businesses to participate in the development. Projects should also demonstrate significant private investment when the end-user is a private business. Applicants must demonstrate how the completion of the IRF project will be a catalyst to larger economic revitalization efforts in the locality and region and will spark additional investment in the surrounding area. Applicants should include quantified expectations for primary impact (such as net new jobs, new businesses, and leveraged private investment) and any secondary impact (such as increased local sales, meals, or lodging tax revenue, increased export or non-export (tourism) revenues, increased daily and/or overnight visitors, and availability of commercial square footage.) In addition, applicants should describe how the project may be catalytic to the community in non-economic terms (such as access to services or resources, workforce development, and quality of life improvements). Projects that show significant community economic impact will be given higher priority; whereas projects with a public sector end-use will be lower priority. For IRF purposes, a full-time equivalent job is defined as employment of, at a minimum, 35 hours per week. Existing employees or unpaid volunteer positions should not be included in job creation projections and will not be considered in application scoring.

6. High Economic Distress in project locality.

Extra consideration will be given to projects located in communities that are experiencing higher degrees of distress. However, it is not intended to compensate for poorly conceived projects that do not score well on the other funding priorities. The Industrial Revitalization Fund (IRF) distress index is comprised of three factors: unemployment, fiscal stress, and poverty. From these statistics, individual distressed scores are computed. Finally, the three component scores are averaged together to form a composite score. The composite score is then broken down into four categories based on standard deviations from the average score.

Unemployment

Unemployment adversely affects the disposable income of families, erodes purchasing power, diminishes employee morale, and reduces economy's output. The unemployment index score depends on localities' unemployment rates. The unemployment rate also reflects the local economic conditions as well as localities' ability to generate revenue to provide critical services to its citizens.

Fiscal Stress

The ability for a locality to provide services to their citizens depends on their capability to generate revenue from their own sources. A lack of revenue-generating capacity will lead to either a shrinking budget or a gap between revenues and expenditures, which is considered fiscal stress. The fiscal stress index is comprised of three factors: revenue capacity per capita, revenue effort, and median household income. From these statistics, individual stress scores are computed. Finally, the three component stress scores are averaged together to form a composite.

Poverty

Poverty can negatively affect economic growth by affecting the accumulation of human capital and rates of crime and social unrest. Human capital--that is, the education, work experience, training, and health of the workforce--is considered one of the fundamental drivers of economic growth. Also, areas with higher poverty rates experience, on average, slower per capita income growth rates than low-poverty areas.

See **Appendix D** for pre-calculated scores for all cities and counties. Towns may use the distress score of the county, or they may calculate their own based on a calculator provided by DHCD, upon request.

Other Considerations

DHCD encourages localities to apply for projects that will have a strong significance to the broader community and region, in areas of ongoing or identified redevelopment/revitalization. Applicants will receive **bonus points** for projects that meet the following characteristics:

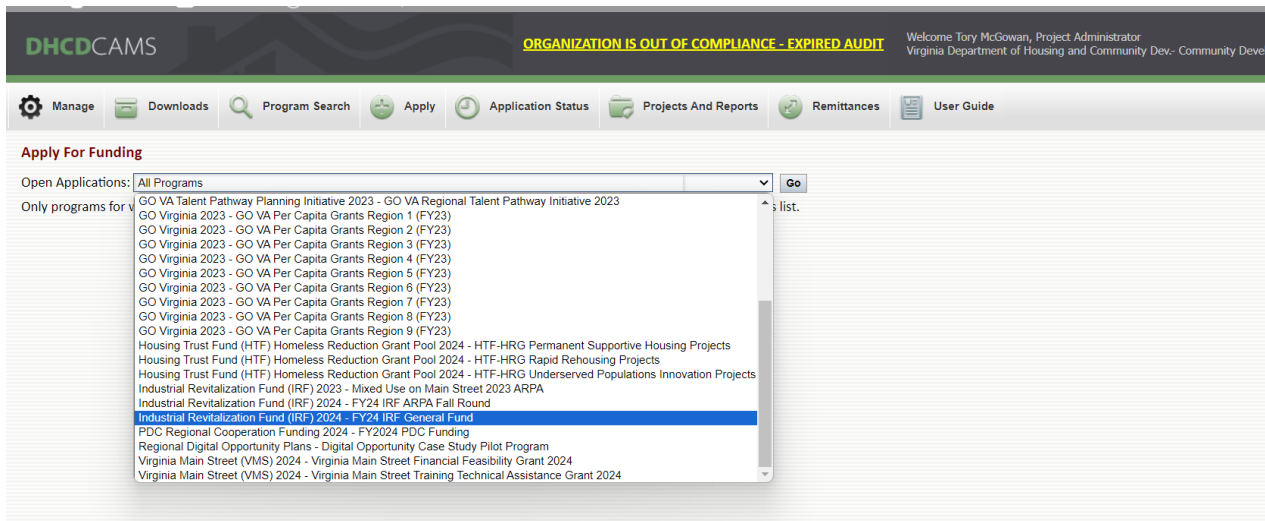
- Part of a significant **regional focus**. This includes projects located in an area covered by a revenue sharing agreement or projects cited in a formal regional economic development plan.
- Eligibility for local real property tax abatements (§58.1-3221) or other **local incentives** to encourage investment.
- Location in an **Enterprise Zone** and ability to qualify for the state and local incentives. **IRF loans** may be included in the Enterprise Zone Real Property Investment Grant schedule of Qualified Real Property investments, while **IRF grants** must be excluded.
- Location in a designated **Virginia Main Street** community; local, state or federal **historic district; redevelopment or blight removal district; Opportunity Zone; Technology Zone;** or another similar district.
- Location in a current **CDBG project area**.
- Committed project leverage exceeds 1:1 match.
- Commitment to including **SWAM certified** contractors/sub-contractors through solicitation during the bidding and procurement process.

Prioritization

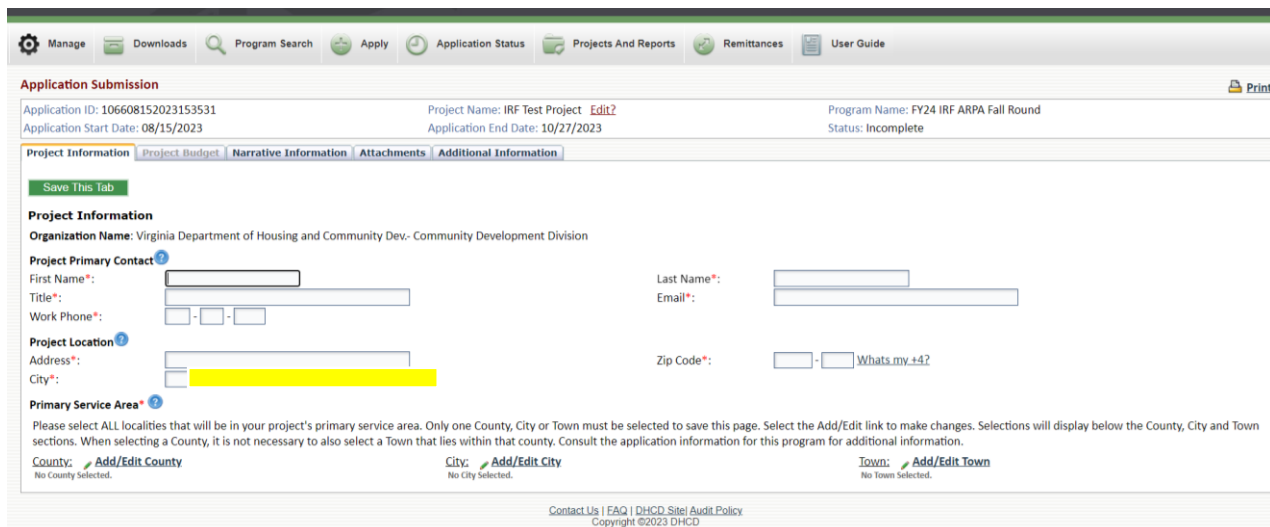
A locality may submit one application per funding round; therefore, localities must identify and authorize the project that will have the most meaningful impact on local community revitalization and economic development efforts. As such, a resolution from the local governing body authorizing the request for funding is an application requirement. If the locality is applying on behalf of a non-profit or private for-profit, the resolution should indicate the specific match amount and identify the entity that will be responsible for providing the matching funds. A project which encompasses multiple adjacent properties, even if there are various owners, is eligible for consideration if the locality includes all in one application.

CAMS INSTRUCTIONS

1. Visit <https://dmz1.dhcd.virginia.gov/camsportal/Login.aspx> DHCD recommends accessing CAMS through the **Google Chrome** browser. If using Internet Explorer, please make sure you are using the most up-to-date version of the browser available.
2. If your locality or organization is not currently in CAMS, a profile request can be made by going to the CAMS site and selecting the **“Registration”** option. In order to register your organization, you will need your organizations DUNS number and FEIN number. Please allow up to five business days for DHCD to process and approve your registration request.
3. Click **Applications and Programs** and then select the **Apply** option.
4. Select **FY25 IRF General Fund** from the dropdown menu. A description of the program will appear. Click the **Apply** button next to the pencil icon to begin the application.



5. Click **Project Information** and start completing the application. In the **Project Location** section, please put the address of the subject property for the application, and **NOT the address of the organization**.



Project and Budget Information

Complete the **Project Budget** and discuss the funding for the proposed project in the budget narrative section. Identify ALL activities that need to be undertaken in order to return the property to a viable economic use. In the case of activities whose costs will be paid for by funds other than IRF, use the *“Other”* category. In the narrative, please list the specific source of non-IRF funds. You will be able to discuss these activities and other sources of funding in more detail and attach funding documentation later in the application.

Application Submission

Application ID: 103708152023160712 Project Name: IRF Test Project [Edit2](#) Program Name: FY24 IRF General Fund
 Application Start Date: 08/15/2023 Application End Date: 10/27/2023 Status: Incomplete

Project Budget Information

Please enter your Total Request: \$ 0.00

Cost/Activity Category	DHCD Request	Other Funding	Total
<input type="checkbox"/> Building Construction/Renovation Add Delete	\$0.00	\$0.00	\$0.00
<input type="checkbox"/> [Dropdown]	\$ 0.00	\$ 0.00	\$0.00
<input type="checkbox"/> Acquisition Add Delete	\$0.00	\$0.00	\$0.00
<input type="checkbox"/> Architectural and Engineering Fees			
<input type="checkbox"/> Building Construction/Renovation	\$0.00	\$0.00	\$0.00
<input type="checkbox"/> Clearance and Demolition			
<input type="checkbox"/> Inspection			
<input type="checkbox"/> Legal Expenses			
<input type="checkbox"/> Other Direct Costs			
<input type="checkbox"/> Other			

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Narrative Information

Project Overview: Please complete the **Project Summary Sheet (Appendix A)** and provide a brief description of the project. Discuss the overall project from start to finish, including the intended end-use and the specific activities to be undertaken with the IRF funds and associated match. Indicate if the IRF project is the project in its entirety or a phase of a larger project.



The character count for text is 6000 characters for each question in the Narrative Information tab. If you are copying text into the reporting box, please use UNFORMATTED TEXT, avoiding bullets and variable spacing and fonts. This can be done by right-clicking in the narrative block and selecting "Paste as plain text". Remember to save your work frequently as the system will time out after 60 minutes.

The following questions relate to Funding Priority 1:

1. **Development Strategies:** Discuss any local or regional economic development strategies or plans and explain how this project ties in with those identified goals & outcomes.
2. **Local Development:** List any public or private investments or initiatives that have or will contribute to or benefit from the success of the IRF project.

The following questions relate to Funding Priority 2:

1. Discuss the rationale for the selection of the targeted property versus other vacant and deteriorated properties in the locality. Why is this project the highest community priority?
2. Discuss how this property was determined to be blighted and describe the derelict elements of the building. Discuss the negative impact that the property, in its current condition, has had on other investment and job creation in the surrounding area. Include in the attachments photographs of the property to demonstrate the derelict condition of the exterior and interior.

The following questions relate to Funding Priority 3:

1. **Project Status:** Please complete the **project status sheet (Appendix B)**. Provide a brief narrative discussing ownership of the property, what has been done to date and any potential obstacles to completion.
2. **Developer:** If a Developer has already been identified, discuss the developer's experience and capacity. If the local government will act as the Developer include similar information. If a Developer has not been identified, discuss the process and timeline for securing one.
3. **Sources & Uses:** The intent of the IRF money is to help fill a financing gap that has prevented the re-use and/or redevelopment of vacant and blighted industrial property. As such, applicants for General Fund IRF and ARPA IRF requests in excess of \$1 million are required to provide at least a 100 percent local match (from private or public sources). Local match greater than 100 percent will increase the application's score.

Please complete the **Sources & Uses tables (Appendix C)** and include documentation of all secured matching funds as an attachment. Describe why IRF assistance is necessary to complete the project. Local match must either be cash or documented costs that are directly associated with the work being done on the property where IRF funds are expended. Local match may also include federal (including CDBG), local or private funds spent on or after July 1, 2022, on activities directly related to the targeted project.

The following questions relate to Funding Priorities 4 & 5:

1. Discuss the end-use of the property, including evidence of its economic viability. Cite and include relevant sections of market research, pro-forma, or other economic viability research. Please include a copy of the end-use business plan, if available. Will this be used to secure primary or other financing? Will it need adjustments to ensure it is suitable to a lender's needs?
2. Discuss how end-users will be recruited and discuss interest or commitments to-date from possible end-users. If an end-user has been identified, include any leases/agreements/commitment letters as an attachment.
3. Provide the anticipated operating budget once project is stabilized. What are the sources of revenue that will support the operation of this facility? Discuss how the facility will be managed upon completion. If it is the applicant's intention to secure IRF funding as a grant/loan, please explain the intended benefits and reasoning of this structure for your locality.
4. Please indicate the primary community economic impact of this project, including net new full-time and part-time jobs (not including construction jobs), new businesses, and leveraged private investment. Describe the methodology used to calculate these measures.

5. Please describe the secondary community economic impact of this project, such as increased local sales, meals, or lodging tax revenues, increased export or non-export (tourism) revenues, increased daily and/or overnight visitors, and availability of commercial square footage or residential units. Describe the methodology used to calculate these measures.
6. Please describe any additional impact of this project, including non-economic outcomes such as access to services or resources, workforce development, and quality of life improvements. Describe the methodology used to identify these outcomes and quantify the impact where possible.

The following question relates to Funding Priority 6:

1. Please list your locality’s distress score based on the **Distress Score Calculations (Appendix D)**. If you are a Town that wishes to calculate a distress score that is different from the County, contact DHCD for a calculator, upon request.

Other Considerations:

Up to five percent in additional points can be attained if the project meets certain criteria. These criteria include:

- Project is located in a revenue sharing district or has been cited in a regional development strategy.
- The project is eligible for local real property tax abatement or other incentives to encourage reinvestment.
- Project is located in an Enterprise Zone
- Project is located in a current CDBG project area.
- Project is located in a special district, including
 - Designated Main Street district
 - Local, state, or federal historic district
 - Redevelopment or blight removal district
 - Tourism zone
 - Opportunity zone
- The project has a committed leverage in excess of a 1:1 match
- Project is committed to including SWAM certified contractors/sub-contractors

Please complete the **Extra Credit Sheet (Appendix E)**.



Attachments

Required Attachments:

- **Local Assurances:** The *Chief Administrative Officer* for the locality must sign to certify that the information in this application is accurate and correct and that the property meets the eligible definition of “blighted”. An example is included in **Appendix F**.
- **Resolution:** The governing body of the locality must authorize the application for Industrial Revitalization Funds for the specific property (address will be sufficient) and documenting the **specific dollar amount in IRF matching funds** from the locality and other sources. If the locality is applying on behalf of a non-profit or private for-profit entity, the resolution should document the specific match amount and indicate that it is the responsibility of that entity to produce the match. An example is included in **Appendix F**.
- **Photographs:** Include images of each subject property. Be sure to include enough images that show the condition of the building or approximately 10 images. Please label the images with a description. Photographs should include the following:
 - Façade and every other face that shows deterioration.
 - Interior condition.
 - Situation shot to show the structure in the context of the property or within a block or street front.

Additional Attachments:

Please attach the following optional attachments if available. The more information provided at the time of application, the greater the evidence that the project is “ready to proceed.” In addition, the more information provided upfront, the sooner the project can get underway if awarded funding. DHCD may require or request further information.

- Project pro-forma; should include requested amount of IRF funding and underlying assumptions. Use loan assumptions found on page 2
- End use business plan
- Resume on developer/principals
- Financial statements within last 12 months on project principals and global cash flow statement on R/E holdings
- Latest market feasibility study/feasibility study showing demand for new use
- Proof of recent Phase II environmental study
- Proof of property zoning/re-zoning or specific timeline by which that will be accomplished
- Letters of interest/term sheets from primary funder(s)
- Property Appraisal or other documentation of purchase price/property value
- Documentation of procurement process followed to select developer (if developer is an entity other than locality applying for grant)
- Locality’s procurement guidelines (if developer is an entity other than locality applying for grant)

Additional Information

This tab is available to enter optional comments regarding your application that you may feel is important that was not answered in other portions of the application.

Scoring

Funds will be allocated through a competitive process that will give greater priority to projects leading to the efficient and immediate redevelopment and/or reuse of abandoned “industrial” structures. Applications will be evaluated according to a scoring system and projects will be selected for funding on the basis of the higher scores in descending order until all funds are allocated. Scoring criteria and point allocation will be as follows:

Relationship to Economic Development Strategy	10%
Readiness	30%
End-Use Plans	15%
Economic Impact	25%
Distress	15%
Match	5%
TOTAL	100%

A strong application will be able to document that the project is **ready-to-go but could not be finished without the injection of the IRF funds.**

Performance Agreements & Contractual Obligations

Successful applicants will be **required to sign a contract/performance agreement** committing them to the economic outcomes, property use, fund use, and match outlined in approved application and any pre-contract/performance agreement negotiations.

All applications, contracts and performance agreements are subject to negotiation with DHCD. All projects will be required to have a deed covenant/restriction or a lien for a period of 10-years that requires DHCD approval prior to any sale or change in end-use for the property. In the case of a sale to private sector entity and/or a change of use during the 10-year period, DHCD may require a pro-rated repayment of the IRF funds based on the number of years of the deed restriction remaining.

All approved projects will be committed to a project completion date of 18 months from contract execution/loan closing, by which all activities must be completed, and drawdown requests/loan disbursements submitted to DHCD/VCC. Any project that receives funding and does not use all of its designated funds by the project completion date specified in its contract/loan award may lose the remaining fund balance.

Substantial Project Changes after Application Submittal

DHCD reserves the right to rescind the funding offer if substantial changes to the project scope and/or financing needs occur after application submittal. DHCD will be concerned of the impact of such on the project’s cash flow, project timing, need for IRF funding, intent of the IRF program, and projected outcomes as outlined in the original application. To maintain consideration for IRF funding, substantial changes to project scope and/or budget will require applicants to provide DHCD with an updated description of the project including:

- Description of changes
- Updated sources & uses of funds
- Updated pro-forma
- Additional letters of interest
- Project-related commitments
- Updated management plans & operation agreements

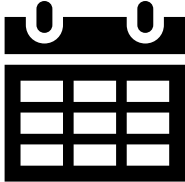


Timeline

How-to-Apply Webinar

DHCD will offer a virtual IRF How-to-Apply Workshop on March 26, 2024, which can be accessed at www.dhcd.virginia.gov/irf. Prospective applicants are also encouraged to reach out the DHCD staff as soon as possible to discuss any projects in development.

Register your Organization in CAMS	ASAP
Application Submittal Deadline	May 31, 2024
Application Review	June 2024
Anticipated Award Announcement	July-August 2023



Contact Information

For more information on the IRF program please contact:



Virginia Department of Housing and Community Development
 600 East Main Street, Suite 300
 Richmond, Virginia 23219
 (804) 371-7000
realestate@dhcd.virginia.gov

Appendix A: Project Summary Sheet

Project Summary Sheet

Project Name:	
Locality Applying:	
Property Address:	
Year Built:	
Original Use of Property:	
Property Size SF:	
Vacant Since:	
Owner:	
Developer:	
End User:	
Total Project Budget:	
IRF Funding Request:	
Total Matching Fund Proposed:	
Total Additional Non-Match Eligible Leverage Funding:	
Intended Use of IRF Funds:	
Intended Use of Property:	
Anticipated # of Jobs to be Created Once Open:	
Current Total Assessment Value:	
Current Condition of Property:	
Estimated new local tax revenues generated annually once open (if applicable):	
Estimated new state tax revenues generated annually once open (if applicable):	

Appendix B: Project Status Sheet

Project Status Sheet

Activities completed so far to prepare for Development:	
Current Zoning & any needed changes:	
Will New Market or Historic Tax Credits be used? If so, please provide the status.	
Does the project require other financing? If so, please provide a summary and status.	
Is the project design finalized? What steps remain?	

Appendix D: Distress Scores

FY2025 Pre-calculated Distress Scores for Cities and Counties

Highly Distressed = 150 Application Points			
Bristol City	Greensville County	Norfolk City	Scott County
Brunswick County	Hampton City	Norton City	Smyth County
Buchanan County	Harrisonburg City	Nottoway County	Sussex County
Buena Vista City	Hopewell City	Petersburg City	Tazewell County
Covington City	Lee County	Portsmouth County	Waynesboro City
Danville City	Lexington City	Prince Edward County	Williamsburg City
Dickenson County	Lunenburg County	Radford City	Wise County
Emporia City	Lynchburg City	Richmond City	
Franklin City	Martinsville City	Roanoke City	
Galax City	Newport News City	Russell County	
Above Average = 100 Application Points			
Accomack County	Charlottesville City	Halifax County	Pulaski County
Alleghany County	Colonial Heights City	Henry County	Richmond County
Amherst County	Craig County	Mecklenburg County	Salem City
Appomattox County	Cumberland County	Montgomery County	Southampton County
Bland County	Dinwiddie County	Northampton County	Staunton City
Buckingham County	Essex County	Page County	Suffolk City
Campbell County	Fredericksburg City	Patrick County	Westmoreland County
Carroll County	Giles County	Pittsylvania County	Winchester City
Charlotte County	Grayson County	Prince George County	Wythe County
At Risk = 50 Application Points			
Amelia County	Floyd County	Manassas City	Rockbridge County
Augusta County	Franklin County	Manassas Park City	Rockingham County
Bath County	Gloucester County	Mathews County	Shenandoah County
Bedford County	Highland County	Middlesex County	Surry County
Caroline County	Isle of Wight County	Nelson County	Virginia Beach City
Charles City County	King and Queen County	Northumberland County	Warren County
Chesapeake City	Lancaster County	Orange County	Washington County
Culpeper County	Louisa County	Roanoke County	
Not Distressed = 0 Application Points			
Albemarle County	Falls Church City	Henrico County	Poquoson City
Alexandria City	Fauquier County	James City County	Powhatan County
Arlington County	Fluvanna County	King George County	Prince William County
Botetourt County	Frederick County	King William County	Rappahannock County
Clarke County	Goochland County	Loudoun County	Spotsylvania County
Fairfax City	Greene County	Madison County	Stafford County
Fairfax County	Hanover County	New Kent County	York County

Appendix E: Extra Credit Sheet

Extra Credit Sheet

<p>Is this project in a revenue sharing district and/or has it been cited in a formal regional development strategy? Please describe.</p>	
<p>Is this project eligible for local real property tax abatement or other local incentives to encourage property reinvestment? Please describe.</p>	
<p>Is this project located within an Enterprise Zone?</p>	
<p>Is this project located in a current CDBG project area?</p>	
<p>Is this project located within a special district? Special districts include: Designated Main Street districts; local, state or federal historic districts; redevelopment or blight removal districts; technology zones; tourism zones; opportunity zones; etc.</p>	
<p>Does your project have committed leverage funding in excess of a 1:1 match? What is the ratio of committed leverage funding to IRF request (total commitment divided by IRF request)?</p>	
<p>Is your project committed to including SWAM certified contractors/sub-contractors through solicitation during the bidding & procurement process?</p>	

Appendix F: Sample Local Certification and Resolution

SAMPLE LOCAL CERTIFICATION

The applicant hereby assures and certifies that:

It possesses legal authority to apply for the IRF program and to execute the proposed program.

The property for which the application is made meets the definition of “blighted property” according to the Code of Virginia § 36-3.

Its governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the filing of the application including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

That the information contained in the IRF application is true and correct.

Chief Administrative Official:

Name & Title

Date

SAMPLE LOCAL RESOLUTION

Be it resolved that LOCALITY NAME wishes to apply for AMOUNT of Industrial Revitalization Funds for PROJECT TITLE for PROPOSED END USE.

Whereas LIST AMOUNTS AND SOURCES OF OTHER FUNDS will also be expended on this project, it is projected that NUMBER AND TYPE OF BENEFICIARIES will result from the implementation of the project.

Be it further resolved that CHIEF ADMINISTRATIVE OFFICIAL is hereby authorized to sign and submit appropriate documents for the submittal of this Industrial Revitalization Fund proposal.

Adopted, DATE.

Signed:
CHIEF ELECTED OFFICIAL

Attest:
CLERK