

**Caroline County
Board of Supervisors Agenda
Executive Summary**

Meeting Date: **January 25, 2022**

Title: **New Business – Request for County Support for GWRC
Housing Grant Application – Caroline County Habitat for
Humanity**

(Check Mark)

- | | |
|---|--|
| <input type="checkbox"/> Consent | <input type="checkbox"/> Closed Meeting |
| <input checked="" type="checkbox"/> Action | <input type="checkbox"/> Public Hearing |
| <input type="checkbox"/> No Action (Information Only) | <input type="checkbox"/> Ordinance |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> PowerPoint Presentation |

Summary: Attached is a letter from Caroline County Habitat for Humanity President & CEO Jason Tickle requesting County support for a Habitat grant application to the George Washington Regional Commission (GWRC) to build and deliver affordable homes in Caroline County. GWRC is seeking submissions from for-profit and non-profit developers and housing providers or government agencies for projects that will increase the new unit inventory of affordable housing in Planning District 16.

Successful applicants will be awarded funding from a \$2 million grant being considered for the GWRC from Virginia Housing (formerly the Virginia Housing Development Authority) as part of a \$40 million grant program to Virginia’s Planning District Commissions. The GWRC expects \$1,750,000 to be available to create a minimum of twenty (20) affordable units in this round. Additional information from GWRC is attached.

Caroline County Habitat for Humanity plans to present a proposal to GWRC to build and deliver 20 affordable homes over the next three years. In his letter, Mr. Tickle has identified the following possible methods for the County to strengthen the Habitat application by demonstrating that the proposal has local support:

Donate Real Property Foreclosed Due to the Non-Payment of Taxes

Mr. Tickle has indicated that legislation adopted by the General Assembly approximately seven years ago allows localities to donate property sold for unpaid real estate taxes to

non-profit housing developers. Staff is consulting with the County Attorney's Office to evaluate the feasibility and viability of this option. County Attorney Chris MacKenzie will provide additional information at the January 25 Board meeting.

Donate Water/Sewer Availability and Connection Fees and Building Permit Fees

Mr. Tickle has asked that the County consider committing to cover any applicable water/sewer availability and connection fees for up to 20 new homes. These fees cannot be technically "waived". Instead, the County would need to reimburse either the Caroline County Utility Fund or the Town of Bowling Green depending on the location of the houses.

Mr. Tickle has indicated that the Town of Bowling Green could potentially provide water and sewer service for up to 15 of the houses.

The Town of Bowling Green currently charges the following for water and sewer availability fees:

- Water availability - \$6,000
- Sewer availability - \$6,000
- Water Connection fee - \$750
- Sewer Connection fee - \$750
- Water inspection fee - \$35
- Sewer inspection fee - \$35

Total: \$13,570 per home

The County's current fees are:

- Water availability - \$5,000
- Sewer availability - \$6,000
 - Milford (Brookwood) is \$11,600
- Water Connection fee – greater of \$1,500 or actual cost of connection
- Sewer Connection fee – greater of \$2,500 or actual cost of connection
- Water Inspection fee - \$35
- Sewer Inspection fee - \$35

Total: Minimum \$15,070 but may be significantly higher depending on location

Building Official Kevin Wightman has estimated the total current permit fees (building, zoning and erosion & sediment control) for 20 affordable homes to be approximately \$30,000.

Budget Impact: To be determined

Requested Action from Board of Supervisors: Discuss and provide direction to staff.

Jason Tickle and members of the Caroline County Habitat for Humanity Board of Directors will attend the January 25 Board meeting.



P.O. Box 365
Bowling Green VA 22427

Date: 1/19/2022

To: Caroline County Administration and Caroline County Board of Supervisors

From: Jason Tickle

CC: Caroline County Habitat for Humanity Board of Directors

Re: GWRC Grant Proposal County Support

Caroline County Habitat for Humanity will be submitting a proposal to George Washington Regional Commission for the recent request for proof of concept to build and deliver 20 affordable homes over the next 3 years. We have all the pieces in place to make a great proposal but we would like to be able to demonstrate we have local support. The best way to do that is to have the county as a contributor. There are two ways we think this could happen with minimal cost to the county and if possible both options can be combined.

The first is to review county records and see if the county currently has any property that has been foreclosed on due to taxes. Several years ago Bobby Orrock helped pass legislation that allowed localities to donate said properties to non-profit housing developers. If the county has any lots, with homes that are beyond repair and ready to be demolished. We could help in getting those properties back and contributing to the tax base. The provision could even be placed that if the grant is not awarded to us then the support is not given much like the request from a few years ago.

The second option is to waive hook up fees or building permit fees that will be imposed during construction. If possible both lot donations and waiving of fees would really strengthen our proposal and show community support. When proposals are reviewed most take into account any local support and it can tip the scale in our favor. I look forward to hearing from you.

Regards,

Jason Tickle

www.habitatofcarolone.org

P.O.Box 365

17518 A P Hill Blvd o Bowling Green o VA o 22427

804-633-1000

REQUEST FOR PROOF OF CONCEPT:
Virginia Housing's PDC Housing Development Grant
George Washington Regional Commission

Purpose of Solicitation:

The George Washington Regional Commission (GWRC) seeks submissions from for-profit and non-profit developers and housing providers or governmental agencies for projects that would increase the new unit inventory of affordable housing (inhabited by less than 80% AMI families) in Region 16 that includes the City of Fredericksburg and Counties of Caroline, King George, Spotsylvania and Stafford. Successful applicants will be awarded funding from a \$2 million grant being considered for the GWRC from Virginia Housing as a part of a \$40 million grant program to Virginia's Planning District Commissions. The GWRC expects \$1,750,000 available to create a minimum of twenty affordable units in this round.

The GWRC is considering selecting housing partner(s) through a two-step application process. First, interested housing providers will complete and submit a Proof of Concept proposal. This proof of concept is being issued to collect key details about the proposed project, including number of units to be constructed, partner development experience, proposed budget and location of development. The requested proof of concept will serve to prioritize conceptual projects for meeting critical housing needs and project readiness. Secondly, prioritized submissions may be invited to apply for funding through a formal application and interview process requiring detailed financial and site information.

Background:

The George Washington Regional Commission is the "planning district commission" established by the General Assembly for the region comprising the City of Fredericksburg and the counties of Caroline, King George, Spotsylvania and Stafford, known collectively as "Planning District 16." Planning District 16 is the fourth-largest and fastest-growing of the Commonwealth's 21 planning districts.

The Commission is responsible for encouraging and facilitating local government cooperation in addressing, on a regional basis, problems of greater than local significance, and provides a broad array of services for the benefit of the 376,000 residents of Planning District 16. Our current areas of focus include economic development, environmental services, human services (including homeless services support), affordable housing, transportation demand management, and rural and urban transportation planning.

In November of 2020, the GWRC adopted the 2020 Housing Affordability Study and Action Plan. This plan includes 5 categories of solutions that will be the basis for prioritizing any award of funding through the PDC Housing Development Grant in the George Washington Regional Commission planning district.

On July 13, 2021, Virginia Housing announced \$40 million in grants available to Virginia's 21 Planning District Commissions for the creation of new housing initiatives. The GWRC has available \$2 million from Virginia Housing to help support new affordable housing units in Planning District 16.

Requirements and Period of Performance:

This proof of concept is intended to collect critical details about a developer's experience and capacity for the development of new affordable units and a project's suitability for receipt of funding from the PDC Housing Development Grant. Interested developers must provide a proposal that includes the following information. A full scope of work, action plan and pro forma budget will be requested for selected priority concepts in an upcoming formal application.

Proof of Concept proposals will be reviewed for meeting minimum requirements of Virginia Housing as established in the Virginia Housing PDC Housing Development Program.

Period of Performance:

- All units created using VA Housing PDC funds are to be completed and move-in ready by July 2024

Eligible Uses of Funds:

- New rental or homeownership units for households with incomes less than 80% AMI according to most recent US Housing and Urban Development data
- Gap funding for new affordable units
 - o Maximum of \$500,000 for property acquisition
- Soft costs, material costs, equipment costs, contractor fees, and project specific marketing relating to the development of new affordable units

Ineligible Uses of Funds:

- Development of a new land trust
- Land banking
- Funding of units proffered as part of rezoning
- Development of emergency shelter, rental assistance, or owner-occupied rehabilitation
- Subsidizing fully funded units that are planned but not yet constructed

Review Process and Evaluative Criteria:

Please attach documentation or written answers to the following criteria. Submissions will be assessed based on how well they address the following factors:

A. Supply

- o Total number of newly constructed affordable units
- o Number of units affordable to household incomes less than 80% AMI
- o Number of units affordable to household incomes less than 60% AMI
- o Number of units affordable to household incomes less than 40% AMI
- o Commitment period for affordability
- o Coordination with the GWRC 2020 Housing Affordability Study

B. Project Experience, Capacity & Readiness

- o Demonstration of history of providing affordable housing in the region, state, nation

- Demonstration of organizational financial viability and the financial feasibility of the project
- Brief description of site control, if applicable
- Description of location of project – city, county or town in GWRC region as well as description of location within the locality
- Local government support for concept
- For land pursuit and assembly, brief demonstration of history of successful land acquisition
- Brief descriptions of the planning, design, pursuit and/or construction process
- A broad project timeline and/or construction schedule
- Description of future or past public participation / community engagement process
- Description of regulatory compliance with current zoning, for by-right development, or description of ongoing rezoning process

C. Budget

- Total grant request from GWRC
- Application includes a listing of all current and committed funding sources, amounts from each source, and existing funding gaps. A model template can be found further in the Proof of Concept description
 - Note: A full pro forma will be required for priority applicants and is not necessary for the Proof of Concept submission. The full pro forma shall include 20 year projections for total development and operating budgets.
- Applicant provides a brief description of how the GWRC and other funding sources shall be used
- GWRC grant cost per unit

Deadlines and Award:

Submission:

- Proof of concept submissions should be sent via email to: Chip Boyles at boyles@gwregion.org.
- Submissions should be no longer than 6 pages in length, not including the Proof of Concept Understanding and the proposed budget.
- Proof of Concept submittals may be offered in your selected format but the attached Proof of Concept Understanding page must be completed, signed and submitted with the submittal and is not counted in the 6-page maximum.
- *Note:* The GWRC reserves the right to reject any or all proposals wherever it is in the best interest of the Regional Commission. Any questions related to this request for concepts shall be directed to the persons above. The GWRC is an Equal Opportunity Employer. Minority and Women-owned businesses are encouraged to submit a Proof of Concept.
- Proposals will be accepted until:

**January 28, 2022
at 12:00 Noon Eastern Standard Time**

Late Proposals: Proposals received after the stated closing time and date will not be considered.

Decision:

- Proposals will be reviewed, and priority projects will be identified and invited to submit a formal application within 60 days.

Project Sources, Uses of Funds, and Gap Funding Needed

Project Name: _____

Budget Category	Overall Project Budget
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SOURCES OF FUNDS

Loan #1	_____
Loan #2	_____
Loan #3	_____
Equity	_____
Grants	_____
Other Source #1	_____
Other Source #2	_____

TOTAL SOURCES OF FUNDS

USES OF FUNDS

Acquisition	_____
Hard Costs	_____
Soft Costs	_____
Miscellaneous Costs	_____

TOTAL USES OF FUNDS

**ADDITIONAL
REQUIRED FUNDING**

**FUNDING REQUESTED
FROM GWRC**

Source: Urban Redevelopment Authority of Pittsburgh, PA
 Thomas Jefferson Planning District Commission, Charlottesville, VA
 Rappahannock Rapidan Regional Commission, Culpeper, VA

**PROOF OF CONCEPT UNDERSTANDING
GWRC PDC HOUSING DEVELOPMENT GRANT
2022**

By signing below, I understand that this Proof of Concept document is to provide information to be used at the discretion of the George Washington Regional Commission to determine if the signee has provided adequate information to meet the minimum guidelines of the Virginia Housing PDC Housing Development Program. Concepts meeting minimum guidelines will be considered for selection to submit a full application for funding through the GWRC PDC Housing Development Grant.

I acknowledge that submitting this Proof of Concept document does not guarantee any form of funding, nor does it obligate the GWRC or Virginia Housing to any form of financial commitment at present or in the future.

I willingly acknowledge that all the information I present in this document is true and correct to the best of my knowledge at the time of the document's submittal.

Signature

Typed or written name

(Name of applicant or legal representative of government, non-profit, for-profit business, agency or organization.)

Title and Agency

Date