

## **Housing Preservation Grant Program Application – per RD Instruction 1944-N**

Prepared by the Central Shenandoah Planning District Commission for public comment ending September 4, 2025.

Housing Preservation Grant (USDA) – CSPDC – Application

### **Statement of Activities**

- (i) **A complete discussion of the type of and conditions for financial assistance for housing preservation, including whether the request for assistance is for a homeowner assistance program, a rental property assistance program, or a cooperative assistance program.**

The Central Shenandoah Planning District Commission (CSPDC), chartered on September 30, 1969, is one of 21 Planning District Commissions in Virginia. Established by the General Assembly to encourage and facilitate regional solutions to issues of area-wide significance, the CSPDC has provided planning services and technical assistance to its member jurisdictions for 55 years. Areas of expertise include comprehensive and land use planning, transportation, water and wastewater utilities, natural resource management, solid waste management, affordable housing, economic and community development, disaster mitigation and preparedness, and human services.

In recent years, the CSPDC has expanded its role in housing in direct response to requests from its localities. The Commission currently administers a HOMEownership Down Payment and Closing Cost Assistance Program (DPA) and the Sponsoring Partnerships and Revitalizing Communities (SPARC) program through Virginia Housing, both of which assist first-time homebuyers. The CSPDC has also directed nearly \$3 million toward the development of new affordable homeownership and rental units in the Central Shenandoah region.

In early 2025, the CSPDC completed the Virginia Housing–funded Central Shenandoah Regional Housing Study, which identified housing rehabilitation as a critical need in the region, particularly in rural communities. In response, the CSPDC proposes to launch several rehabilitation initiatives, including the USDA Housing Preservation Grant (HPG) Program. Assistance will be provided under a homeowner assistance program and a rental property assistance program, targeting:

- **Owner-occupied single-family homes:** Eligible very low- and low-income homeowners will receive grants for health, safety, and code-related repairs, emergency repairs, and accessibility modifications.
- **Eligible rental properties:** Repairs and improvements will be provided to rental units owned by landlords who agree to make the rehabilitated units available to eligible very low- or low-income tenants for the required affordability period in accordance with USDA program regulations.

The CSPDC will not be requesting funds for a cooperative assistance program under this application.

- (ii) **The process for selecting recipients for HPG assistance, determining housing preservation needs of the dwelling, performing the necessary work, and monitoring/inspecting work performed.**

The process includes: 1) Outreach Workers for the local housing non-profits and other referral agencies prescreen applicants, verify income, and assess need. 2) Outreach Workers assist applicants in filling out the grant application. 3) The completed application is then sent to the CSPDC for final approval by the

Project Manager, who will also prepare the environmental review documents, including obtaining a ruling from the Department of Historic Resources, before project commencement. 4) CSPDC's Project Manager then assigns approved projects to the appropriate subcontracting agency. 5) The subcontracting agency oversees the project, recruits volunteers and donated materials when possible, hires contractors and subcontractors as needed, and arranges the final inspection by the local building inspector, when required, or another qualified inspector. 6) The Project Manager verifies the work, monitors billing, and prepares and files grant and expense reports.

- (iii) **A description of the process for identifying potential environmental impacts in accordance with § 1944.672 of this subpart, and the provisions for compliance with Stipulation I, A-G of the PMOA (RD Instruction 2000–FF available in any Rural Development office) in accordance with § 1944.673 (b) of this subpart. With the exception of Stipulation I, D of the PMOA, this may be accomplished by adoption of Exhibit F–1 of this subpart (available in any Rural Development office), or another process supplying similar information acceptable to Rural Development.**

The subcontracting agency will do a visual assessment before any work is initiated. Any identified concerns will be further assessed so that each project is designed to minimize any environmental impact. CSPDC staff will prepare maps showing the floodplain, wetlands, endangered species, habitats, proximity to railroads and airports, and use EPA's NEPAassist tool to identify proximity to hazardous sites and environmental justice concerns. CSPDC will create a map showing the project's location on the most recently available USGS quadrangle maps and access and print out a map and relevant information from DHR's V-CRIS online database. Either CSPDC or the sub-recipient will compile the package for submission to the Virginia Department of Historic Resources (DHR), providing a clear description of the project, the location shown on USGS map, photographs, and the results of the DHR Archive Search. CSPDC and its subrecipients will only undertake activities for which DHR has determined that no historic properties will be affected by the proposed work and properties not located in a floodplain. A concurrence letter from the Virginia Department of Historic Resources is attached, as well as a signed RD 1944-N Exhibit F-1 form.

- (iv) **The development standard(s) the applicant will use for the housing preservation work; and, if not the Rural Development standards for existing dwellings, the evidence of its acceptance by the jurisdiction where the grant will be implemented.**

All work will comply with USDA Rural Development standards for existing dwellings. Where required, a local building permit will be obtained for each site, and all modifications will be completed in accordance with applicable local codes and standards.

- (v) **The time schedule for completing the program.**

Given the significant need for housing rehabilitation, all funds will be allocated and expended promptly, with full utilization anticipated by or before the end of the two-year grant period.

- (vi) **The staffing required to complete the program.**

With this grant, the Project Manager will oversee application approvals, verify completed work, monitor billing, prepare and submit grant and expense reports, and distribute funds. A CSPDC planner will prepare maps for the environmental review process, while the Project Manager will complete the remainder of

the Environmental Review Record (ERR). The Finance Director will process check requests, secure required signatures, and prepare financial statements to support reimbursement requests.

- (vii) **The estimated number of very low- and low-income minority and nonminority persons the grantee will assist with HPG funds; and, if a rental property or cooperative assistance program, the number of units and the term of restrictive covenants on their use for very low- and low-income.**

If our region is approved of the full requested amount of \$52,000 in HPG funds, we anticipate assisting approximately five households. The exact number served will depend on the needs identified by our sub-recipients and will be addressed on a first-come, first-served basis. Based on estimated average assistance of \$10,400 per unit, the program could serve up to five very-low-income households in the region.

- (viii) **The geographical area(s) to be served by the HPG program.**

All eligible rural areas within Virginia's Central Shenandoah Planning District Commission (CSPDC) region, including the counties of Augusta, Bath, Highland, Rockbridge, and Rockingham, will be served.

- (ix) **The annual estimated budget for the program period based on the financial needs to accomplish the objectives outlined in the proposal. The budget should include proposed direct and indirect administrative costs; such as personnel, fringe benefits, travel, equipment, supplies, contracts, and other cost categories, detailing those costs for which the grantee proposes to use the HPG grant separately from non-HPG resources, if any. The applicant budget should also include a schedule (with amounts) of how the applicant proposes to draw HPG grant funds, i.e., monthly, quarterly, lump sum for program activities, etc.**

The Housing Preservation Grant (HPG) allocation for Virginia in Fiscal Year 2025 is \$271,593. To launch the program in the Central Shenandoah region, the CSPDC is requesting \$65,000.00. As outlined in Form 424A, Section A – Budget Summary, this request includes \$52,000.00 in HPG funds and a \$52,000.00 match provided by subrecipients carrying out the projects, resulting in a total project budget of \$104,000.00. Of the HPG funds, \$9,750.00 is budgeted for CSPDC administrative costs, and \$3,250.00 for subrecipient administrative costs directly related to the project. Combined, administrative expenses total \$13,000.00—representing 20% of HPG funds and 11% of the total project budget. Specifically, 15% of HPG funds will support CSPDC grant administration, and 5% will support subrecipients' project administration. The remaining \$52,000.00 in HPG funds, together with the \$52,000.00 in matching funds, will be used for emergency repairs and home safety modifications. Drawdowns on grant funds will occur monthly or quarterly, with financial and program reports submitted quarterly.

- (x) **A copy of an indirect cost proposal when the applicant has another source of Federal funding in addition to the Rural Development HPG program.**

CSPDC receives other federal funds. CSPDC's indirect cost rate proposal is submitted to the U.S. Department of the Interior (DOI), with the Economic Development Agency (EDA) serving as the cognizant agency, acting on behalf of the Department of Commerce (DOC). The CSPDC's indirect cost rate is negotiated at 47% of the actual rate for the most recently completed audit. The rate calculated by the FY24 audit is 57.09%, which has been approved by our cognizant agent. The negotiated rate is scheduled

to be used for FY26 (July 1, 2025- June 30, 2028). Materials submitted to the EDA, including pages from the FY24 audit, and an approved final letter from the EDA, are included in this application package.

(xi) **A brief description of the accounting system to be used.**

All invoices must be submitted to CSPDC's Project Manager for approval prior to payment. Revenues and expenses are reviewed monthly, and quarterly financial summaries are provided to Rural Development. In-kind donations and volunteer hours are documented in the quarterly reports. CSPDC manages its finances using QuickBooks and a chart of accounts to classify transactions. Governmental financial statements are prepared at the close of each fiscal year, which runs from July 1 to June 30. An independent firm conducts the annual audit, which forms the basis for the fiscal year's indirect cost rate proposal.

(xii) **The method of evaluation to be used by the applicant to determine the effectiveness of its program which encompasses the requirements for quarterly reports to Rural Development in accordance with 7 CFR 1944.683(b) and the monitoring plan for rental properties and cooperatives (when applicable) according to 7 CFR 1944.689.**

Quarterly reports are submitted to Rural Development, with program oversight provided by the Program Manager and Outreach Workers. Feedback from CSPDC staff and the Regional Housing Solutions Group will be incorporated to strengthen the program. At year's end, CSPDC will engage collaborating agencies to identify opportunities for improvement.

(xiii) **The source and estimated amount of other financial resources to be obtained and used by the applicant for both HPG activities and housing development and/or supporting activities.**

Subrecipients have confirmed their ability to provide local matches equal to the awarded HPG funds. When feasible, subcontracting agencies will utilize volunteer labor and donated materials. All funds will be leveraged with available federal, state, and local assistance, as well as cash donations, special event proceeds, private foundation grants, and contributions from local financial institutions and corporate donors. Only non-federal funds will be reported as match.

(xiv) **The use of program income; if any, and the tracking system used for monitoring same.**

HPG funds will be provided as grants. If a client is able to repay some or all of the funds, repayments will be recorded as program income and used in the same manner as the original HPG funds. All program income and designated donations are treated as restricted funds and recorded as separate line items in the general ledger.

(xv) **The applicant's plan for disposition of any security instruments held by them as a result of its HPG activities in the event of its loss of legal status.**

Any required security instruments will be held by the housing non-profit performing the work. In the event that the housing non-profit ceases operations, all security instruments will be transferred to another qualified non-profit within the region.

(xvi) **Any other information necessary to explain the proposed HPG program.**

This application represents the CSPDC's first request for funding under the USDA HPG program to address the Central Shenandoah region's critical need for housing rehabilitation. The proposed program design draws heavily on the proven model successfully implemented by the Thomas Jefferson Planning District Commission (TJPDC) since 2015. The CSPDC aims to expand the program throughout the region as the CSPDC gains experience with the HPG program, adapting its design as needed to address the unique needs of our service area.

(xvii) **The outreach efforts outlined in 7 CFR 1944.671(b).**

All housing non-profits in the region conduct their own outreach efforts. Eligible clients will be identified through their existing waiting lists, targeted outreach activities, and referrals from local partner agencies.