Handbook
FY2027
Workforce Housing Investment Program

Effective: January 1, 2027

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1 Program Description

In November 2023, Virginia Housing published a report conducted by Chmura Analytics that identified housing's role as an economic competitiveness factor as the Commonwealth works to attract and retain employees. This report, along with ongoing interactions with key state, regional and local stakeholders, solidifies the need for additional middle income housing development across Virginia if every region of the Commonwealth is going to be competitive in the ever-changing economic development field. In the past, the idea was that housing would follow jobs but in recent years and especially amplified by the COVID-19 Pandemic, companies are looking more and more into the quality of life available to their employees when making business decisions, making attainable and quality options for housing a key factor in those decisions.

1.1 Overview of Funding Opportunity

Workforce Housing Investment Program funds are available in regions with a recent economic development project announcements bringing in new residents requiring affordable housing options for both rental and homeownership. These include expansion of current employers as well as those new to the locality. At the completion of development, new housing units must be available and affordable to households making between 80-120% of the Area Median Income (150% AMI in rural localities). These income limits can be found here: https://www.virginiahousing.com/partners/rental-housing/income-limits

Awards are based on the developer's readiness to complete the project, locality cooperation, and the availability of Virginia Housing funding. Funds will be awarded in the form of grants. **Being selected for this award does not guarantee permanent financing by Virginia Housing. Projects receiving grants through this program are not eligible for additional subsidies from Virginia Housing through the Resources Enabling Affordable Community Housing (REACH) Virginia Program.**

The housing outcomes envisioned by this program focus on the production of new middle income housing units that can serve as a model for further development both within the sponsoring locality or region as well as other regions throughout the Commonwealth. Such housing production can result from the construction of new units or the adaptive re-use of existing structures to create housing units.

Virginia Housing reserves the right to modify or change the program requirements listed in this Handbook. Virginia Housing reserves the right to make changes to the handbook prior to the closing of the application period, as needed. Any changes will be highlighted and shared.

1.2 Application Process

Agencies seeking funding must apply to Virginia Housing's Notice of Funding Opportunity (NOFO) located in the Grants Management System at https://vhdagrants.com/. All applications must be submitted electronically using the Virginia Housing Grants Management System. Applications submitted beyond the end date stated in the Virginia Housing NOFO will not be accepted.

For questions concerning this program or assistance with application submission, contact **Chris McNamara, Strategic Housing Officer**, at **(804) 584-4721** or email **Chris.McNamara@VirginiaHousing.com**.

1.3 Freedom of Information Act

Virginia Housing is subject to, and will at all times comply with, the Virginia Freedom of Information Act ("FOIA"). Virginia Housing's policy is to apply exemptions to FOIA when such exemptions are available as set forth in the Virginia Code.

1.4 Conflict of Interest

No officer or employee of an applicant or awarded organization shall have a personal interest in a contract with that organization of which he/she is an officer or employee.

2 Program Requirements

Virginia Housing awards funds to partners to foster a strategic approach to housing development for Virginia's workforce. Awards are based on an organization's readiness, development focus, previous performance, and the availability of Virginia Housing funding.

2.1 Eligibility Guidelines

To be eligible for grant funds under the Workforce Housing Investment Program, the applicant must be one of the following: nonprofit organization, unit of local government, or quasi-governmental entity. The applicant may apply in partnership with a private for-profit entity. An applicant may submit multiple requests for different project funding. Projects that have received awards in previous rounds of this program or through other Virginia Housing Development Grants, including the Regional Housing Development Grant, are not eligible. New phases or additional development beyond original award are eligible.

The organization shall designate and identify a person or persons to serve as Virginia Housing's sole point(s) of contact for this program. Such person or persons shall be employees of the organization and not a contractor or consultant.

2.1.1 Project Location

Eligible projects will need to be located within a 30-minute drive time of a single job announcement within the Commonwealth of Virginia that meets the below requirements based on level of distress of the location of the employment center. Refer to **Appendix A** for current distress level designations. Localities designated as rural in **Appendix B** may extend the drive time radius to 45 minutes. New job announcements must have occurred within 24 months of application opening date. Documentation of an eligible rural area should be included with the application, if the applicant is claiming the project is in a rural area.

2.1.2 Eligible Job Announcement

Job Announcements must be verified through a press release from the Governor's Office, local economic development department press release, or an official letter from the employer confirming their plans to locate or expand in a locality. This verification must include the date of the announcement, location of the jobsite, and the number of full-time employees to be hired. All job announcements must be within 24 months of the application period opening for the current round of grant funding.

Job announcements must document new full-time positions and not the refilling of existing roles. A single job announcement is required to support the grant request, not a combination of multiple announcements.

For each qualifying job announcement, a maximum of $2,000,000 will be available to residential development within thirty minutes of the jobsite (forty-five in rural regions). This can be split between multiple housing projects. The limit per job announcement applies to all rounds of funding, so previous year's awards will be counted towards the limit of job announcements. The total award plus local match will not exceed 20% of the total development cost.

The locality of the qualifying jobsite will be used to determine the minimum number of new jobs needed to be eligible for this program. If a project meets the drive time but is located in another locality, the distress level of the locality where the new units are to be built will determine the match requirements and award amount.

2.1.3 Schedule

The budget and period of performance for this grant is twenty-four (24) months from the grant award. Units must be habitable before the end of the performance period.

Only expenses incurred within the performance period will be eligible for reimbursement.

Applications will be accepted one (1) time per year and will be competitive. Please refer to the Notice of Funding Announcement (NOFA) for opening date for applications and deadlines.

2.2 Unit Production

Grants will be awarded on a per unit basis based on level of distress in the locality with maximum awards per unit as follows:

- Not Distressed: $30,000
- Single Distressed $40,000
- Double Distressed $50,000

3 Application Requirements

Please refer to the Notice of Funding Opportunity for application deadlines. The same application will be used for both rental and homeownership projects.

The application must clearly provide the following information:

- A completed project workplan that details the steps that will be followed and estimated timeline to complete the project. This workplan will be used throughout the grant performance period to track the project progress and determine eligible payments from the grant.
- Evidence of qualifying economic development announcement
- Proof of proximity to new jobsite to verify the units will be within a thirty-minute (45 for rural areas) drive
- Local or regional market study to show need for new housing
- Examples of steps taken in the locality or region to expedite and support further housing development
- Project budget and documentation of all confirmed sources of funding in the project
- Documentation of confirmed locality match requirement
- Demonstrated funding gap that will be filled by this award
- Documentation of an eligible rural area should be included with the application, if the applicant is claiming the project is in a rural area.
- Proof of zoning, site control, and development plan

Applicants should have substantially completed the predevelopment activities to ensure the development will be completed within the performance period (24 Months). The predevelopment activities may include:

- Financial planning completed – grants, conventional loans, etc. Environmental assessments are conducted.
- Design decisions, systems and materials to be used for project are identified.
- Site location(s) required permits and feasibility are identified.
- Land acquisition or securing option rights to purchase land is completed.
- Site surveys such as but not limited to topography, access to utilities, storm-water runoff, traffic studies, and archeology are conducted.
- Necessary infrastructure improvements are identified and included in the project scope.
- Identification of potential barriers and predetermined alternatives/solutions to address them.
- Documentation of the overall project schedule.
- Prepare for project development, including identifying effort and cost tracking systems/tools.

3.1 Locality Match Requirement

Cash or In-Kind contributions (including land, infrastructure improvements, waived fees, etc.) based on distress level, plus the Workforce Housing Investment Program Grant, will equal a maximum of 20% of total development costs OR a maximum of $2 Million of Virginia housing award, whichever is lower. The locality match can come from a range of sources including cash match, land donation, waived fees and other sources.

Location	Eligibility	Match	Max Award	Local Match
Non-distressed locality	100 new jobs	1:1	10% of project cost	10% of project cost
Single-distressed locality	50 new jobs	1:2	13.4% of project cost	6.6% of project cost
Double-distressed locality	25 new jobs	1:4	16% of project cost	4% of project cost

3.2 Eligible Expenses

Approved organizations will only receive disbursement and reimbursement for the applicable expenses outlined in this section. Virginia Housing reserves the right to reject funding requested for any costs that are outside the scope of activities listed below:

Acquisition

Acquisition funding requests may not exceed 20% of the award, and must be for real property to be used by a project to be developed under this program.

Administration

Costs associated with managing and administering the grant-funded project, including personnel costs (such as salary and fringe), reporting, financial tracking, and compliance activities. Administrative costs are limited to 10% of the total grant award and must be included within the overall grant request.

Consulting Costs

Payments to external professionals or subject-matter experts who provide specialized services necessary to implement the approved project.

Contractor Costs

Construction services to carry out the grant activities.

Supplies & Materials

Costs of materials used to carry out the grant activities.

Soft Costs

Fees directly related to the project's development, such as permitting fees, utility connections, final design, inspection fees, surveys, and capitalized fees. Capitalized

fees are a type of soft cost incurred during the development period. They are therefore a development cost rather than a predevelopment cost or an operating cost. Examples are utilities, inspections, insurance, taxes, and construction loan interest.

3.3 Ineligible Expenses

- Funds may not be used to pay for activities currently funded by another funding source.
- Funds may not be used for, in support of, or to develop owner-occupied rehabilitation, rent assistance or emergency shelters.
- Program funds cannot be used to subsidize existing affordable units within a market rate property.
- Grant funds cannot be used to renovate existing housing units unless the units are documented as uninhabitable based on local code.
- Program funds cannot be used to meet owner equity requirements for the purpose of loan qualification, or to pay fees associated with loan application.
- Travel costs are not eligible to be directly charged to the grant.

3.4 Restrictions

- Receipt of a Virginia Housing grant offer in no way implies that the applicant or applicable project(s) will receive Virginia Housing financing or receive preferential treatment in any application for financing.
- Grant funds can be used for infrastructure only if it supports the new affordable units developed and does not provide a general public benefit that is more than incidental.
- Acquisition funding requests may not exceed 20% of the award and must be for real property to be developed for projects under this program. Acquisition funding requests should be supported with the following items:
    - Detailed development plan
    - Clean title as determined by Virginia Housing
    - Appraisal
    - Environmental Study
- Capitalized fees reimbursement requests must be directly related to the project developed under this program. A detailed development plan must be submitted with capitalized fee reimbursement requests.
- Market Analysis is not covered under this funding opportunity; however, it may be applied for under the Community Impact Planning Grant funding opportunity.
- Applicants with an existing or previous Virginia Housing grant must not have any outstanding compliance issue(s) or issues resulting in funds withheld within the twelve (12) months before application submission.

- All program income generated must be reinvested into the project. Program income is funds the grantee receives from transactions with parties involved in a project. There is no requirement or expectation for a project to generate program income; however, if a project or unit is sold before the compliance period is up the grant amount invested should be returned to the grantee (pro-rated based on how long the property has been in compliance). The grantee must have a plan for using such program income, if received, for affordable housing purposes in the spirit of the original grant.
- Consultants receiving funds under this grant may not be an employee, contract employee, or board member of the organization during the term of the grant. If the consultant has an existing or prior contractual or voluntary relationship with the organization, the organization must document a fair and transparent procurement process and clearly demonstrate that the grant-funded services are distinct in scope, deliverables, and compensation from any existing agreement. Grant funds may not be used to pay for services already covered under another contract, and failure to clearly document this separation may result in disallowed costs.
- Projects receiving this award will not be eligible for additional REACH subsidy, including Regional Housing Development Grants, REACH Financing, or other development subsidies from Virginia Housing.

3.5 Application for Rental Units

- All applicants should review all Virginia Housing Minimum Design and Construction Standards: https://www.virginiahousing.com/partners/rental-housing/rental-financing-ae-process
- Applicants will be required to submit a letter from an architect or the developer confirming they have reviewed and understand the Minimum Design and Construction Standards and will adhere to these standards to the best of their ability. Full compliance with these standards will be required if project is receiving Virginia Housing permanent financing.
- Rental developments generated by this grant must maintain 80-120% AMI for all designated units for the duration of the affordability period. Rural areas may increase this limit to 150% of AMI.
- Current AMI limits can be found here: https://www.virginiahousing.com/partners/rental-housing/income-limits
- Income limits do not apply to unrestricted units in mixed use developments. For the purpose of this program, rural communities are those counties or cities identified in **Appendix B**.

3.5.1 Applicants for Virginia Housing Rental Financing

If the applicant intends to use Virginia Housing for rental financing, award recipients will be eligible to apply for construction-to-permanent or permanent

financing with the grant built into the development budget. **Moving forward with this application does not guarantee financing from Virginia Housing. No additional subsidy beyond the Workforce Housing Investment Program award will be available from Virginia Housing.**

- Applicants utilizing Virginia Housing permanent financing must discuss the need for any waivers to the minimum design standards prior to submitting this application
- If the applicant intends to use Virginia Housing for financing, confirmation that conversations with a Virginia Housing approved Broker and Virginia Housing Rental staff member are required prior to application. If the applicant prefers to use this grant to subsidize the permanent financing, please contact Virginia Housing prior to submitting this application for guidance. A letter confirming partnership from the approved Broker must be included in the application.
- Virginia Housing loans require a 10-year prepayment moratorium. All applicable affordability requirements would remain in effect for the life of the loan.
- Mixed Use developments must designate at least 60% of its square footage for housing. These developments must also include units that are not income restricted. For mixed use developments, the unit breakdown would be the following:
- 20% of units affordable at 80% AMI, balance unrestricted
- Alternative unit mixes and incomes may be considered on a case-by-case basis. Applicants seeking this alternative are encouraged to contact Virginia Housing prior to submitting an application.
- Projects utilizing historic tax credits are encouraged to consult with Virginia Housing Rental team on structuring awards as a subsidized loan
- Mixed Use projects must be located in a Revitalization Area. See **Appendix C** for Revitalization Area qualifications.

3.6 Application for Homeownership Units

- Homes must meet Virginia Housing Maximum sales price limits.
- If the funds provided to the homebuyer are in the form of a grant or subordinate mortgage (including a “soft second” that may be forgiven over time and/or has no monthly payments), the grant or subordinate loan must comply with all applicable mortgage industry requirements, including those set by Fannie Mae, Freddie Mac and FHA.
- In some cases, if the grant or subordinate loan is provided by the seller or another interested party to the transaction, it may not be acceptable. It is important to ensure that all relevant requirements are met in these instances. **Please reach out to Virginia Housing for clarification if needed.**

3.7 Scoring and Approval

3.7.1 Competitive Application Review

Workforce Housing grants are funded under a competitive round. Competitive applications will be reviewed for minimum eligibility requirements and denied if the application is not eligible. Eligible applications will be scored by the review team based on the established scoring criteria. All applications will be reviewed based on what is included in the application submitted.

3.7.2 Scoring

All awards are based on the capacity to complete the project, alignment of the project with Virginia Housing's mission, and availability of Virginia Housing funding.

Applications will be scored based on the criteria listed below:

- Proximity to eligible job announcement
- Locality match
- Infrastructure status
- Commitment to affordability requirements
- Demonstrated need and plan for additional housing
- Other funding is in place
- Impact of the project including the number of units produced more than the minimum
- Expedited permitting
- Alignment with the program objectives
- Support from local employers
- Long term plan for additional housing including development of local program to continue financing projects beyond this award.
- Innovation in the form of financing, partnerships, construction type, or other examples that can be replicated beyond the proposed project.

3.7.3 Approval

Funds will be awarded based on an assessment of the application and the availability of Virginia Housing funds. This is a competitive funding opportunity, and applications will be reviewed by a cross-agency team of representatives from the Secretary of Commerce and Trade, Virginia Economic Development Partnership (VEDP), Virginia Department of Housing and Community Development (DHCD) and Virginia Housing. Award amounts may be reduced from the requested amount based on scoring and funding availability.

The selected organization(s) will receive a Grant Award Notification (GAN) and a Grant Agreement. The applicant must return the Grant Agreement to Virginia Housing with signature by an authorized representative.

3.7.4 Denial

Applicants that are not approved for funds will receive written notice from Virginia Housing explaining the denial of grant funds.

3.8 Grant Agreement

Virginia Housing will execute a grant agreement with the applicant of approved grants. Applicants should be aware that as the grantee they are the party responsible for completing activities under the grant, including:

- Completing quarterly status reports
- Requesting and receiving funds under the grant
- Making payments to the contractor or other third parties receiving grant funds
- Maintaining complete records of the project.

Applicants are strongly encouraged to complete any necessary review of Virginia Housing's universal grant agreement prior to receiving a grant offer. The grant agreement is included as **Appendix D**.

4 Grant Management

4.1 Affordability Period

The affordability period for a project is determined by the most restrictive funding source used in the project. The following conditions are the minimum restrictions for units receiving Workforce Housing Investment Program assistance.

If the Virginia Housing assistance in the project is less than $15,000 per unit, each unit would be subject to a ten-year affordability period. More than $15,000 per unit would carry a fifteen-year affordability period. In this context, "affordability period" means continued ownership and occupancy by the original income-qualified purchaser of the home or sale to another income-qualified purchaser.

Homeownership units generated by this grant shall have sales price and income limits consistent with Virginia Housing limits for that area or region unless lower limits are mandated by the use of leveraged financial resources from other funding sources. The most recent limits can be access by visiting https://virginiahousing.com/loanlimits.

4.2 Reporting

Organizations are required to submit quarterly reports detailing the progress of the project. Reports are due the 15th of the month following the end of a quarter. Organizations are also required to submit a final report no more than 30 calendar days after the end of the period of performance.

Grantees are responsible for notifying Virginia Housing when units receiving grant funds are nearing completion. Virginia Housing may conduct or arrange for site visits of completed units.

4.3 Disbursement

Funding is on a reimbursement basis. Funds may be requested quarterly for reimbursement of actual expenses incurred in completing the grant activities. Claims are due the 15th of the month following the end of the quarter and at the time of the Final Report. Amount requested per line item cannot exceed the currently approved budget. Documentation of the expense to include date and amount must be submitted with the claim for each expense in which reimbursement is requested.

Invoices for consultant or contractor work must document the grantee as the payer. Grantees are required to provide a detailed list of partnering agencies involved in the project as part of their claim documentation. This list must include all agencies whose expenses may be billed to the grant. The grantee is responsible for maintaining accurate and updated records of these partnerships for grant compliance and reporting purposes.

4.3.1 Administration

Administration funds may be claimed in proportion to the other grant expenses (for example, if 10% of the budget is administration, 10% of each claim can be for administration). The Administration portion claimed does not need to be documented on the claim; however, the use of these funds and proof of payment for all items must be made available to Virginia Housing upon request and maintained for a period of at least five (5) years after the expiration of the Grant period or date of last payment, whichever occurs first.

4.3.2 Optional Monthly Claims

Virginia Housing will allow claims to be submitted more frequently, but no more than once a month, to cover high-cost construction claims. Monthly claims may be submitted only for contractor costs and construction materials. Other expenses must be requested in accordance with the grant's quarterly claim schedule. Administrative costs can be requested on monthly claims in proportion to the actual expenses.

4.4 Contract Changes

Grantees must request any contract amendment through the Grants Management System (GMS). Contract amendments must be reviewed and approved by Virginia Housing to be in effect. Contract amendments may be considered for the following:

4.4.1 Period of Performance

If an agency needs to extend the grant, it must submit a contract amendment to extend its period of performance. Contract amendments may only be submitted to extend an agency's period of performance up to twelve (12) months. Funds will not be disbursed on items that occur outside of the approved performance period.

4.4.2 Workplan Changes

Changes to the activities funded under the grant or the grant deliverables require a contract amendment to explain the need for the change. Changes in the activities and deliverables under the grant may impact the amount of the award.

4.4.3 Budget Changes

A budget change contract amendment will allow the grantee to move funds within the budget categories of the grant. The total grant budget will not increase under a budget change amendment, unless Virginia Housing elects to add additional funds and initiates the increase. All budget changes are still subject to limits on budget categories as outlined in the Eligible Expenses section of this Handbook.

4.5 Reviews

Virginia Housing may conduct a review of a grantee's program operations to ensure proper accountability and compliance with program requirements.

Using the findings of a review, Virginia Housing may determine whether to continue participation unconditionally or conditionally. Additionally, the findings of a review may serve as a basis for determining future grant funding.

For the Workforce Housing Investment Program, an on-site inspection by a compliance officer may be conducted before the release of final payment for a specific project and for the overall grant.

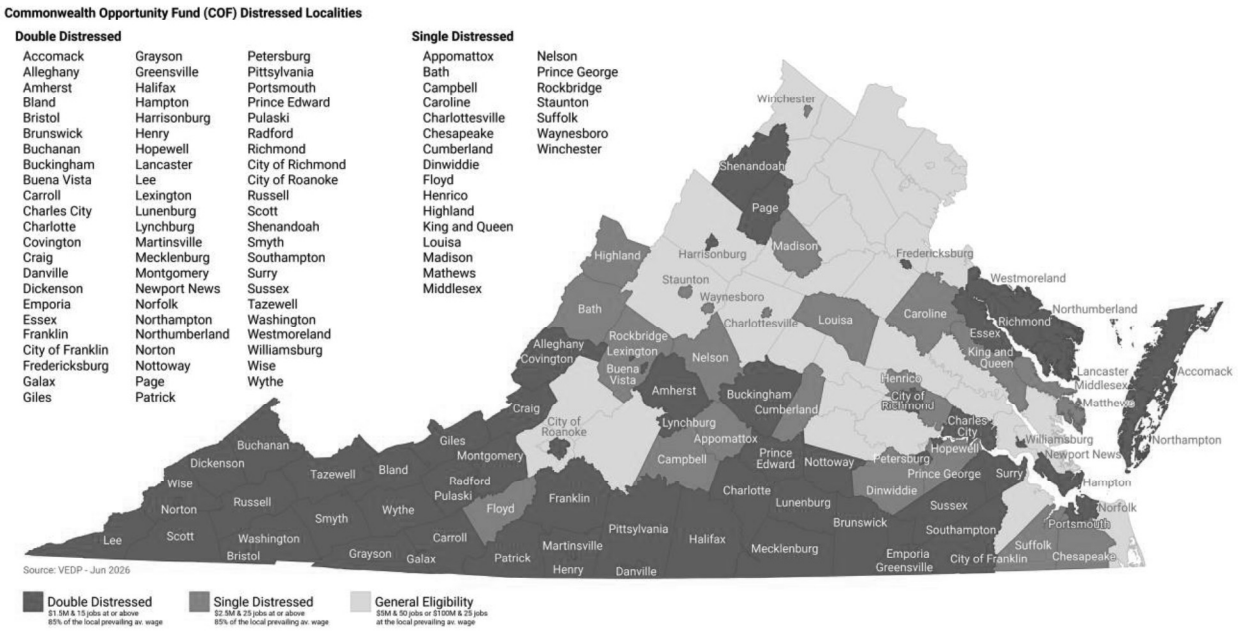
Using the findings of a review, Virginia Housing may determine whether to continue participation unconditionally or conditionally. Additionally, the findings of a review may serve as a basis for determining future grant funding for the grantee.

Grantees will be notified at least fifteen (15) days before reviews.

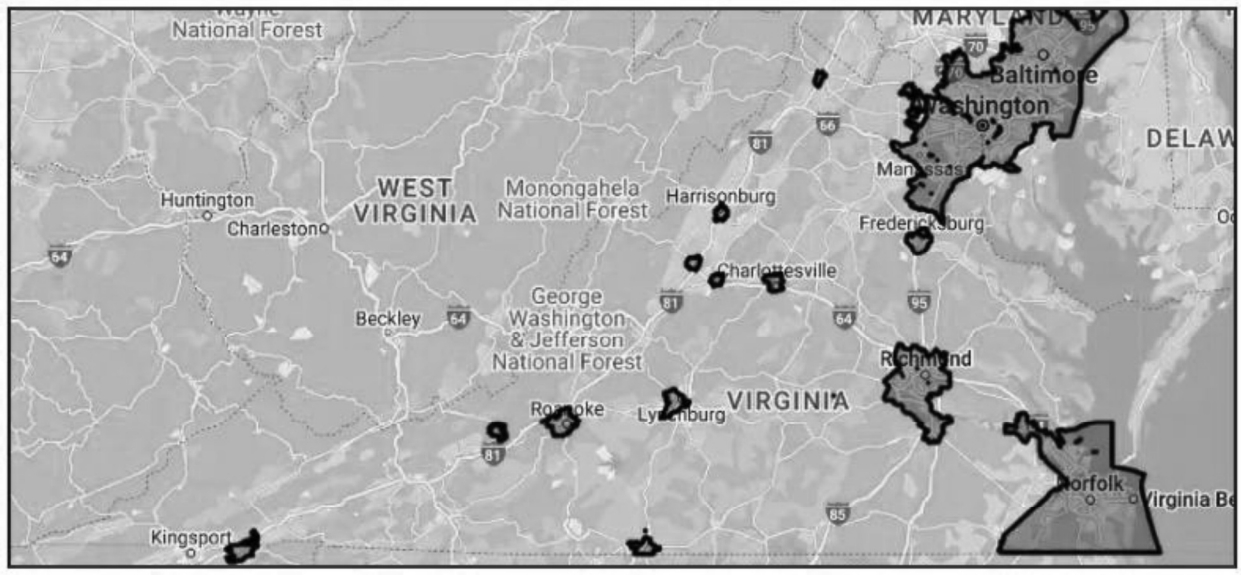
Applicants will be required to submit a Certification of Compliance six months after the end of the period of performance to ensure proper affordability is maintained for units developed under this program.

5 Appendix A: Distress Level Index

Distress Level index (https://vedp.org/incentive/commonwealths-development-opportunity-fund-cof)



6 Appendix B: Rural Localities



Areas in Purple are not considered “rural”. Applicants with a project near a purple area that are requesting it be considered as a rural area should visit the USDA Eligibility tool and enter the specific address to determine eligibility. Documentation of an eligible rural area should be included with the application, if the applicant is claiming the project is in a rural area.

The USDA Eligibility tool is available at:

https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do

7 Appendix C: Revitalization Area

Options for an area to qualify as a Revitalization Area include:

- The development is located in either of the following, as defined by HUD: A Qualified Census Tract; or a Targeted Area, wherein 70% or more of the families have incomes which are ≤ 80% statewide median income [NOTE: these census tracts are included in the definition of Targeted Area for single family lending purposes but do not include ACEDS].
- The development is located in a redevelopment area, conservation area or rehabilitation district created by a city or county, pursuant to VA Code §36-1 et seq. Documentation must (a) demonstrate that area exists at the time of application; (b) accurately depict area boundaries; and (c) clearly show that the proposed development lies or will lie within those boundaries.
- The development is located in a revitalization area designated by resolution adopted pursuant to the terms of VA Code § 36-55.30:2 for the purpose of enabling Virginia Housing to provide financing to either a mixed-income or mixed-income/mixed-use development. Documentation must include a resolution from the locality supporting the development's location within the revitalization area.
- The development is located in a Housing Rehabilitation Zone established through an ordinance created by a city, county or town pursuant to VA Code §36-55.64. Documentation must include a copy of the ordinance with support that the development lies within the Rehabilitation Zone.
- The development is located In an opportunity zone designated by the Commonwealth pursuant to the Federal Tax Cuts and Jobs Act of 2017 (PL 115-97) and has a binding commitment of funding acceptable to Virginia Housing.
- The development is located in a jurisdiction that confirms that the development, as proposed to be constructed or rehabilitated, will utilize new or existing housing as part of a community revitalization plan. **The applicant must use Virginia Housing's Community Revitalization Plan Form Letter provided below.**
- The development is located on land owned by federally recognized or Virginia-recognized Tribal Nations located within the present-day external boundaries of the Commonwealth.
- The development is located in a Virginia Main Street designated area or a Virginia Enterprise Zone.

Community Revitalization Plan Form Letter

General Instructions:

- The Community Revitalization Plan Form should be signed by any of the following individuals or authorized officers of any of the following offices within the jurisdiction where the Development will be located:
- City Manager/County Executive
- Office of Housing
- Office of Planning
- Office of Zoning
- Economic Development Authority
- Local Housing Authority
- Other official or office deemed acceptable by Virginia Housing

- Owner/Applicant should fill in all requested information on the form letter, except for the signature page:
- 'Development Address' should correspond to Development Address identified in the application.
- 'Proposed Improvements' should correspond with Building and Improvements description in the application.

- Authorized signer should complete and execute the signature page.

Community Revitalization Plan Form Letter

DATE: _____

TO: Virginia Housing
601 South Belvidere Street
Richmond, VA 23220

RE: Community Revitalization Plan Form

Name of Development: _____

Name of Owner/Applicant:
_____

Name of Seller/Current Owner: _____

DEVELOPMENT DESCRIPTION:

Development Address:

_____
__

_____
__

Proposed Improvements:

New Construction # Units _____ # Buildings _____ Total Floor Area _____

Adaptive Reuse # Units _____ # Buildings _____ Total Floor Area _____

Rehabilitation # Units _____ # Buildings _____ Total Floor Area _____

The Owner/Applicant listed above has asked this office to complete this form letter regarding the proposed Development described herein. This form letter will be used by Virginia Housing Development Authority for the sole purpose of determining whether the Development qualifies for Predevelopment Loan funding.

Accordingly, as indicated by my signature below, it is my opinion that the Development described above, as proposed to be constructed or rehabilitated, will utilize new or existing housing that conforms with the community's revitalization plan.

_____
Signature

_____
Printed Name

_____
Title

_____
Phone

_____
Date

8 Appendix D: Virginia Housing Universal Grant Agreement

Grant Award Notification (GAN)			
1. Contact Information	«Organization» «Address» «City» «State» «Zip» «Grantee_POC_First_Name» «Grantee_POC_Last_Name», «Grantee_Email»		
2. Virginia Housing Contact	«Grant_officer», «Grant_Officer_Email»		
3. Grant ID & Title	«Grant_ID»-«Grant_Title»		
4. Funding Opportunity	«Funding_Opportunity»		
5. Grant Agreement Type	Award		
6. Grant Award Type	«Award_Type»		
7. Grant Award Amount	$«Original_Award»	Original Award	
	«Current_Award»	Current Award	
	$«Total_Award»	Total Award	
8. Period of Performance	«Period_of_Performance»	Reporting period continues 30 days following performance period	
9. Grant Authority	Virginia Housing		
10. FAIN	NA		
11. Award Date	«Award_Date»		
12. Fund Source	«Fund_Source»		
13. Indirect Cost Rate	«Indirect_Cost»%		
14. Special Terms & Conditions	*«Special_terms»*		
15. Program-Specific Instructions	*«Program_Specific_Instructions»*		
Madelyn Peay **Managing Director of Community Outreach**			
Date:			

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
«Grant_Name» Grant Agreement

This Grant Agreement is entered into as of the **«Award_Date»,** by and between **the Virginia Housing Development Authority** "Virginia Housing" (Grantor) and **«Organization»** (Grantee).

ARTICLE I – GENERAL

Grantee is the recipient of a «Grant_Name» in the amount of $«Total_Award». This Grant Agreement sets forth the terms and conditions under which Virginia Housing will provide grant funds to the Grantee. Grantee agrees to carry out its eligible activities under this Grant Agreement. Virginia Housing shall be the first and primary point of contact on all matters of a technical nature. Grantee shall submit all reports and other materials following instructions provided by Virginia Housing. Written or oral instructions provided to the Grantee will supplement the Statement of Work described in this Grant Agreement.

This Grant Agreement is governed by, and Grantee shall comply with, the Program Handbook, and Notice of Funding Opportunity (each, if applicable), the Grantee's approved application and workplan on file in the Grants Management System (collectively, the "Approved Scope"), and any attachments or addenda to this Agreement.

ARTICLE II - DEFINITIONS

Grants Management System (GMS): Virginia Housing's official system of record for grant administration. The system will be utilized to apply for grant funds and other administrative tasks including approved budget, reporting, and claims.

Approved Scope: The Grantee's approved application and workplan on file in the Grants Management System (GMS), including any subsequently approved change requests or amendments. If there is a conflict between the Approved Scope and this Agreement (including any addenda), this Agreement controls.

Program Handbook: The program-specific guidance document, if applicable, incorporated by reference into this Agreement. Unless otherwise stated in the GAN or an addendum, Grantee must comply with the version in effect on the Award Date.

Funding Opportunity (FO): The solicitation or notice describing program eligibility, scope, restrictions, and requirements, if applicable, incorporated by reference into this Agreement. If there is a conflict between the FO and this Agreement (including any addenda), this Agreement controls.

Grant Funds: Funds disbursed by Virginia Housing under this Agreement, subject to the terms and conditions herein, including allowable uses, reporting, and recapture.

Period of Performance: The start and end dates during which Grant Funds may be obligated and expended, as stated in Article III, and as amended by any executed change order or amendment.

Eligible Activity: An activity that is both allowable and reimbursable under this Grant Agreement as described in section IV.A.1.

Generally Accepted Accounting Principles (GAAP): A common set of accounting principles, standards and procedures that agencies must follow when they compile their financial statements.

ARTICLE III – PERIOD OF PERFORMANCE

This Agreement shall be effective upon signature by both Parties and shall remain in effect through the Period of Performance stated herein, unless terminated earlier under Article IX. Any retroactive applicability must be expressly stated in the Grant Award Notification (GAN).

ARTICLE IV – STATEMENT OF WORK

A. Grant Activities:

1. **Scope of Services**. The services proposed by the Grantee in the application approved by Virginia Housing and stored within the system of record, represents the scope of services under the Grant. Grantee shall use grant funds solely for eligible activities described in the Program Handbook and Funding Opportunity, if applicable, or the Approved Scope (approved application and workplan on file in Grants Management System (GMS).

2. For Strategic Initiatives, the Strategic Initiative Request and Workplan approved by Virginia Housing are incorporated by reference and together constitute the Approved Scope.

B. Requirements:

1. **Application.** Grantee must complete its application in its entirety in order to receive the grant funds described herein, the satisfaction of which is in the sole discretion of Virginia Housing. Receipt of a Virginia Housing grant offer in no way implies that the applicant or applicable project(s) will receive Virginia Housing financing or receive preferential treatment in any application for financing.

2. **Programmatic Requirements**. Grantee must comply with most current programmatic requirements found in the Program Handbook, as may be revised from time to time.

3. **Virginia Housing-funded Program Evaluation.** Grantee is required to coordinate and cooperate with Virginia Housing staff in research and evaluative studies related to the Grant Funds.

4. **Mandatory Meetings/Trainings**. See Article VIII (Compliance) for attendance requirements and consequences.

5. **Public Event/Press Distribution.** Grantee agrees to alert Virginia Housing/Grant Officer of any public event or press distribution that is tied to the grant award. Any use of Virginia Housing Logos must be requested in a timely manner prior to use and all marketing materials must be approved by Virginia Housing prior to use.

ARTICLE V – PRICE

A. Maximum Grant Amount. Grantee shall be paid according to the terms of this Grant Agreement for all work required, performed, and accepted under this Grant Agreement in an amount not to exceed the amount shown in Article I of this Grant Agreement.

B. Cost Reimbursement. Grantee must submit claims based on actual expenses.

1. **Allowable Expenses**. Virginia Housing shall pay Grantee, up to the Maximum Grant Amount as stated in Article I of this Grant Agreement. Grantee is prohibited from using any part of this Grant to satisfy a delinquent debt. Allowable Costs are costs incurred in the performance of this Grant Agreement that are determined by Virginia Housing to be allowable, allocable, and reasonable in accordance with the:
   - Provisions of this Grant Agreement, and
   - Virginia Housing's Program Handbook

2. **Indirect Cost Rates**. Unless the Grantee has an existing Negotiated Indirect Cost Rate Agreement (NICRA), Grantee may elect to use a ten percent (10%) de minimis indirect cost rate. Indirect costs may only be charged against salary unless otherwise stated in the NICRA. Grantee must provide a current NICRA or statement on letterhead confirming use of the ten percent (10%) de minimis rate.

   Indirect costs are only allowable when expressly authorized in the Program Handbook or included in the approved grant budget. If the Program Handbook specifies an administrative fee in lieu of indirect costs, or otherwise prohibits indirect costs, those program specific rules control. Indirect costs must be included in the budget and may not exceed the eligible award amount.

3. **Period of Availability of Funds**. Grantee may charge to the Grant only Allowable Costs resulting from obligations incurred during the Period of Performance.

4. **Profits**. No fee, profit, or other increment above allowable costs shall be paid to the Grantee.

5. **Grantees with Multiple Sources of Funding.** Grantee shall not be reimbursed by Virginia Housing under this Grant Agreement for time spent providing services that are directly or indirectly reimbursed from any other source, including fees. Grantee shall include in its claim this Grant Agreement only the portion of those services for which the Grantee does not receive reimbursement from any other funding source. For oversight purposes, Virginia Housing reserves the right to request from Grantee, and other stakeholders if applicable, grant reporting data and information related to program, including non-Virginia Housing sources of funding.

C. **Burden of Proof.** The burden of proof for services rendered rests with the Grantee. All supporting records are subject to inspection and audit by Virginia Housing at any time during the Period of Performance and for a period of five (5) years after the expiration of the Grant period.

D. **Restrictions on Use of the Grant Award.** The Grant funds awarded under this Grant Agreement shall be used in accordance with the terms of this Grant Agreement, the Funding Opportunity, Application, Program Handbook, and applicable laws and regulations.

ARTICLE VI – REPORTING AND PAYMENTS

A. Claims. A claim for reimbursement of funds, as applicable, is due to Virginia Housing via the Grants Management System as follows:

1. **Claim Schedule**

«Claim_Schedule»

2. **Itemized Accounting of Actual Costs**
   - **a)** Proof of payment must be kept on file for compliance review;
   - **b)** The amount requested cannot exceed the currently approved budget; and
   - **c) Virginia Housing will not accept/process claims after the end of the reporting period**

B. Reports.

1. «Report_Schedule»

C. Programmatic Reporting Requirements. Virginia Housing may withhold payment to Grantee if, in the sole opinion of Virginia Housing, any programmatic reporting requirements have not been satisfied or are not being satisfied.

1. **Payments to Grantee.** Grant Funds will be provided to Grantee after evaluation of the required deliverables of the grant.

2. **Billing Methodology**. Grantee must clearly explain the methodology employed to calculate reimbursement.

3. **Documentation of Expenses.** Grantee must maintain source documentation of direct costs, such as invoices, receipts, cancelled checks to support all invoices for payment. This information must be made available to Virginia Housing upon request and maintained for a period of at least five (5) years after the expiration of the Grant period or date of last payment, whichever occurs first. Grantee must be able to demonstrate and document the actual cost of service provision. The amount billed to the grant cannot exceed the actual cost of providing the service.

4. **Standards for Financial Management Systems.** Grantee shall maintain and operate financial management systems that meet or exceed the GAAP requirements for funds control and accountability.

5. **Withholding of Funds**. Virginia Housing may withhold payment to a Grantee if any project objective, term or condition of this Grant Agreement is not being satisfied,

including reporting requirements. This includes but is not limited to the failure of Grantee to produce the deliverables of the grant in a manner deemed sufficient by Virginia Housing. Virginia Housing may also withhold payment to Grantee if Grantee is suspended or terminated from any other Virginia Housing or local, state or federal government program, voluntarily or involuntarily placed on inactive status by Virginia Housing or suspended or terminated from Virginia Housing's Program.

6. **Overdue Reports.** No payment request shall be approved for a Grantee who has an overdue or incomplete report until a complete report has been submitted and approved by Virginia Housing.

7. **Funds Recapture.** Virginia Housing may recapture any unspent funds. Grantee is required to cooperate with recapture requests, including any paperwork requests. Virginia Housing may utilize recaptured funds in other ways authorized by Virginia Housing.

ARTICLE VII – SECURITY OF CONFIDENTIAL INFORMATION

A. **Security.** Grantee shall secure, under lock and key if applicable, all personal information regarding clients whether such information is generated by the agency itself or received from outside sources. This includes securing notes on counseling sessions and any other information regarding individual clients. Grantee shall not disclose such information to anyone other than Virginia Housing or other parties to whom the client consents release of the information.

B. **Confidentiality.** If applicable, Grantee must ensure its systems protect the confidentiality of each client's personal and financial information, regardless of whether the information is received from the client or from another source or is collected electronically or on paper. Grantee must ensure that neither they nor their vendor discloses the information in the client's individual file to anyone except for authorized agency personnel and Virginia Housing. Any disclosure of client information requires the express permission of the recipient whose information is to be shared.

ARTICLE VIII – COMPLIANCE

A. **Virginia Housing Oversight.** Grantee must cooperate with all Virginia Housing oversight activities, requests for access to facilities, requests for access to the agency's files, and requests for information, including, but not limited to, financial records. If Grantee, including those agencies that provide legal services, has other obligations that require information to be kept confidential, Grantee must take measures to ensure that Virginia Housing has

access to files and information for audit and oversight purposes that demonstrates to the satisfaction of Virginia Housing that the Grantee is in compliance with requirements of this Grant Agreement. Upon written request from Virginia Housing, Grantee agrees to provide Virginia Housing with any of the above-referenced documents and/or allow access to such documents within fifteen (15) days of said notice. Grantee will be notified at least fifteen (15) days prior to reviews.

B. Reviews/Audits. Virginia Housing may conduct a review of the Grantee program operations to ensure proper accountability and compliance with program requirements and achievement of performance goals. Using the findings of the review, Virginia Housing may determine whether to continue participation unconditionally or conditionally. Additionally, the findings of a review may serve as a basis for determining future grant funding. The Grantee will be notified at least fifteen (15) days prior to reviews.

1. Whenever possible, Virginia Housing and/or third parties acting on behalf of Virginia Housing will give Grantee fifteen (15) days' notice before conducting an on-site review. However, in situations where a specific concern warrants immediate action, Virginia Housing and/or third parties acting on behalf of Virginia Housing reserve the right to give less than fifteen (15) days' notice.

2. Virginia Housing and/or third parties acting on behalf of Virginia Housing shall have the right to request, and Grantee hereby agrees to comply with all reasonable requests by Virginia Housing, copies of financial audits conducted during the Agreement period.

C. Virginia Housing-funded Program Evaluation. Grantee is required to coordinate and cooperate with Virginia Housing staff in research and evaluative studies related to the Grant Funds.

D. Record-Keeping Requirements. Grantee agrees to retain all financial records, supporting documentation, statistical records, and all other records pertinent to this Agreement for a period of five (5) years. The only exceptions are the following:

1. If any litigation, claim or audit is started before expiration of the five (5) year period, the records shall be retained until the litigation, claims or audit findings involving the records have been resolved and final action taken.

2. Records for real property and equipment acquired shall be retained for five (5) years after final disposition.

3. Note that Grantee may also be subject to record retention requirements under other applicable laws and regulations.

4. Grantee may use any record-keeping system provided that the chosen system results in a complete and accurate set of records that are retained per the requirements in this agreement. The resulting records must enable easy monitoring by Virginia Housing when conducting a performance review of the Grantee's activities.

E. Virginia Housing Mandatory Meetings/Training. Grantee is required to attend all mandatory meetings/trainings, as determined by Virginia Housing. In the sole discretion of Virginia Housing, failure to attend mandatory meetings/trainings may result in Grantee being barred from future grants.

F. Disclose Investigations. Grantee is required to report to Virginia Housing within (15) days if subject to unresolved findings as a result of government audit or investigations.

G. Assurances. Grantee assures that it, its program branches, and affiliates will:

1. Administer services in accordance with all applicable federal, state, and local laws, rules, regulations, and ordinances which are incorporated by reference into this Agreement.

2. Pursue its mission without any conflict of interest by Grantee, its paid and volunteer staff, or board members that may compromise the Grantee's ability to further its mission in accordance with Virginia Housing's requirements under this Agreement.

H. Certifications. Grantee certifies that:

- It is acting on its own behalf and is not under the influence, control, or direction of any outside party seeking to derive a profit or gain from its clients.
- It meets the applicable accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), 24 CFR Parts 8 and 9, and the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and its facilities provide accessibility features for persons with disabilities and elderly persons, or it will arrange to meet with such persons at an alternative accessible location or format.
- Neither the Grantee nor any employee, board member, or partner is suspended, debarred, or otherwise restricted under any federal or state program.
- The Grantee, or any of its employees, board members, partners, or affiliates has never been indicted for, or convicted of, a criminal offense that reflects upon the responsibility, integrity, or ability of the agency to participate in grant activities. An

"offense" includes any criminal offense that can be prosecuted at a local, state, or federal level.

- The Grantee, or any of its employees, board members, partners, or affiliates has never been subject to unresolved findings as a result of HUD or other government audits or investigations.
- It holds a current certificate of good standing in all states in which it operates.
- It is authorized to do business in all states where it proposes to provide counseling services.
- It will not permit discrimination against clients on the basis of their gender, race, religion, color, familial status, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation, or physical, mental, emotional or learning disability.
- It will comply with quality control, compliance, and evaluation of the programs for five (5) years following the completion of the performance period or when funds in the performance pool are fully utilized, whichever is last.
- No staff, board member, or partner of the Grantee stands to benefit financially from this Grant Agreement.
- It has documentation to support the representations made regarding capacity and past successful performance.

ARTICLE IX – DEFAULT, REMEDY, SUSPENSION AND TERMINATION

A. Virginia Housing reserves the right to immediately upon notification, suspend or terminate this Agreement with any Grantee who fails to comply with the terms and conditions of the Agreement up to and including:

1. Any material failure by Grantee to comply with the terms and conditions of this Agreement.

2. Any failure by Grantee to comply with a statute, regulation, or other requirement

3. Failure by Grantee to spend funds in accordance with requirements;

4. Grantee fails to return funds subject to recapture to Virginia Housing within the required timeframe;

5. Grantee becomes the subject of a federal, state, or local investigation, whether criminal, civil or otherwise;

6. Grantee becomes financially unstable; becomes insolvent, defunct, or commences bankruptcy proceedings;

7. Any director, officer or manager of Grantee engages in fraud, willful misconduct, gross negligence or misappropriates any funds;

8. Acts or omissions made by the Grantee and/or third parties acting on behalf of Grantee, in the sole and reasonable determination of Virginia Housing, may cause Virginia Housing significant reputational harm; and/or

9. Any misrepresentation which, if known by Virginia Housing, would have resulted in funds not being disbursed.

B. If noncompliance occurs, Grantee agrees to notify Virginia Housing. If Virginia Housing becomes aware of an issue, Virginia Housing shall provide a reasonable opportunity to respond or to take corrective action as appropriate. Virginia Housing reserves the right to suspend disbursements to Grantee during this corrective action period, commensurate with the seriousness of the noncompliance. If Grantee fails to resolve noncompliance within the specified period, Virginia Housing reserves the right to demand immediate repayment of improperly spent funds or bar the Grantee from future funding opportunities. Virginia Housing further reserves the right to place additional conditions on the continuance of the Agreement if appropriate.

C. Suspension. If Grantee is unable to address the noncompliance to the satisfaction of Virginia Housing within the timeframe specified, Grantee shall be placed in "Suspended" status until the time that the noncompliance is addressed to the satisfaction of Virginia Housing, but no longer than six months from the date of the notice of suspension. During the suspension period, payments shall be discontinued and/or withheld until the noncompliance is addressed to the satisfaction of Virginia Housing. Virginia Housing reserves the right to extend "Suspended" status for a reasonable period beyond six months under special circumstances as defined by Virginia Housing.

D. Default and Termination. If Grantee fails to resolve the noncompliance to the satisfaction of Virginia Housing within six months of the date of the notice of suspension, or within any extended timeframe previously approved, Virginia Housing may take one or more of the following actions:

1. Suspend or withhold payments.

2. Recover misspent or unspent funds.

3. De-obligate awarded but undisbursed funds.

4. Terminate the Agreement for cause.

5. Impose additional conditions or remedies permitted by law.

Upon termination of the Agreement, all unspent funds (as determined by Virginia Housing) shall revert immediately to Virginia Housing, either in the form of recapture or de-obligation.

E. Virginia Housing reserves the right to amend or cancel this grant agreement at any time with written notice to be provided to the Grantee. Upon termination of the Agreement, all unspent funds (as determined by Virginia Housing) shall revert immediately to Virginia Housing, either in the form of recapture or de-obligation.

ARTICLE X – AUDIT REQUIREMENTS

A. Independent Audit. Grantee may be required to receive an independent audit, at its own expense, no more than twelve (12) months before the execution of this Grant Agreement. If Grantee is unable to meet this requirement, Virginia Housing reserves the right to require an independent audit at the Grantee's expense.

B. Audit Confirmation. Audit confirmation requests should be mailed directly to accounts payable at:

Virginia Housing Accounts Payable
601 S. Belvidere Street
Richmond, VA 23220

C. Auditing. Grantee agrees to cooperate fully with Virginia Housing, its agents, authorized representatives, and third-party contractors as they perform evaluation, monitoring, quality control, audit, audit-related activities and compliance reviews.

ARTICLE XI - MARKETING

By accepting the grant described herein, Grantee authorizes Virginia Housing to use Grantee's name, logo and trademark in connection with certain promotional materials that Virginia Housing may disseminate to the public. Should Grantee desire to inform Virginia Housing of specific projects accomplished as a result of the grant, Grantee should contact Virginia Housing at the following email address: marketing@virginiahousing.com.

Authority to Execute. The individual signing this Agreement on behalf of Grantee represents and warrants that they are duly authorized to bind Grantee. Virginia Housing may rely conclusively on this representation. Grantee shall provide reasonable evidence of authority upon request, including a certificate of incumbency, board resolution, or officer attestation.

IN WITNESS WHEREOF, each Party has caused this «Grant_Name» Agreement to be executed by an individual who represents and warrants they are duly authorized to bind the Party. No alterations to the official version of the «Grant_Name» Agreement delivered by Virginia Housing to Grantee have been accepted unless such change is acknowledged by Virginia Housing through a signature on the page of the Grant Agreement containing such change.

Virginia Housing Development Authority

_____

Madelyn Peay
Managing Director of Community Outreach

Date: _____

Grantee

_____

Name: _____

Title: _____

Date: _____