

PORT HOST COMMUNITIES REVITALIZATION FUND

FISCAL YEAR 2027

GRANT MANUAL

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INTRODUCTION

The General Assembly has allocated funding to be used for the strategic removal or redevelopment of port related properties in the five (5) Port Host Communities of Front Royal (Warren County), Newport News, Norfolk, Portsmouth, and Richmond. For the purposes of this program, the term "port related" will be considered to mean any non-residential structure that was built or used for a purpose related to port activities, is located near the port to benefit from port activities or is located on or near a transit route (rail, waterway or highway) that served/serves the port. These structures, in their current deteriorated condition, may not be suitable for productive use and may 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 they require more than local resources to attract private sector investment to make a deal financially feasible. Therefore, the $2.4 million allocation is meant to leverage local and private resources to achieve redevelopment of these structures, creating a catalyst for long-term employment opportunities and on-going physical and economic revitalization.

Eligible properties and structures must exhibit physical and/or economic blight and may be redeveloped for any market-driven purpose including industrial, commercial, mixed-use, shell building, site clearance, or residential, regardless of the original use. For purposes of the Port Host Communities Revitalization Fund (PHCRF), 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 $2.4 million available in FY 2027 is an allocation to the Virginia Removal or Rehabilitation of 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 PHCRF Program. Should funding be increased or decreased in this or any subsequent fiscal year, the grants awards shall be adapted accordingly.

Award Amounts

Awards for the PHCRF will be made on a threshold basis at one grant of up to $480,000 per Port Host Community per Fiscal Year. The remaining funds, after all initial qualifying grants have been awarded, will be placed into an additional pool and will be available to be distributed to these projects based on a statement of need and distributed on a priority basis until the fund is depleted. All awards require at least a 1:1 match. With base award and potential statement of need pool funding, the maximum award per project is $1,000,000.

ELIGIBILITY

Eligible Applicants

Only local governments and regional or local economic or industrial development authorities may submit applications for funding of the Port Host Communities (Front Royal (Warren County), Newport News, Norfolk, Portsmouth, and Richmond) may submit applications for funding. Applicants 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; however, the Chief Administrative Officer (CAO/COO/ City Manager/Town Manager) must certify that an application has been determined to be the highest Port Related priority for that grant year.

Award Funding Structures

All PHCRF awards will be made as grants to the application, either the locality or authority. However, if the project property is owned or will be owned by a for-profit entity, the local government may grant the funds to the project (with DHCD approval) or may lend the award to the for-profit entity and the proceeds will be returned to a revolving loan fund operated by the locality in perpetuity.

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: Prime Rate -2% (minimum of 5%)
- Amortization: Up to 20 Years (based on negotiations)
- Environmental Review
- DHCD will require a development agreement, Deed of Trust and Deed of Trust Note

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 (LOCUS). In this case, LOCUS will require a commitment fee of 1% (50% due within 14 days of execution of PHCRF loan agreement and the remainder at PHCRF closing).

All projects, regardless of award structure, must be ready to execute a contract for the PHCRF funds within six (6) months of the grant award announcement.

- Agreements may be executed simultaneously to the closing of the first trust lender for primary financing or after; however, PHCRF 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 within the six (6) month period which commences upon the announcement of the PHCRF awards may result in the PHCRF funds being reprogrammed to another project. The applicant will be given the opportunity to apply again once the project is more prepared for PHCRF 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 restrictive deed covenant or a Deed of Trust for a period of five (5) years that requires DHCD approval prior to any sale or change in end-use for the property. One exception would be in cases where funding is used for locality-owned utilities or infrastructure. Contact DHCD if this is the case. In the case of a sale to private sector entity and/or a change of use during the 5-year period, DHCD may require a pro-rated repayment of the PCHRF funds based on the number of years of the deed restriction remaining.

Match

To demonstrate project viability and the applicant's commitment, applicants 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 PHCRF 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.

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 $480,000 PHCRF grant must provide a match of at least $480,000 (100% match). This applicant could include up to $24,000 in documented administrative costs in their $480,000 match.

If the project proposes a for-profit, private end-use, DHCD considers an equity investment by that entity into the PHCRF 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 PHCRF project site.
- Construction-related soft costs related to engineering, design or architectural activities (must be specifically identified in the application). These costs may include new construction in the case of a project that includes expansion of the building/facility.
- Investments into Machinery & Tools, taxable by the locality.
- Public notices, permit or dumping fees and inspections costs (or waivers of such)

directly related to physical activities (must be specifically identified in the application).

- Improvements to municipally owned utility infrastructure, such as water and sewer lines, may be considered match, if the improvements directly and specifically increase the capacity of services to the target project building/facility to allow for higher and/or more intensive use at the project site. This shall not be construed to include general utility maintenance and/or improvements that benefit the community as a whole or a large portion of the community outside of the project area.
- 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.
- 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 PHCRF program is designed with flexibility so 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 site remediation, demolition, removal, and other physical activities.

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. PHCRF funds may also be used for the legal costs associated with demolition. However, funds may not be used solely for acquisition or demolition unless it can be demonstrated that the locality has committed other redevelopment funds to the property, and there is a market-based redevelopment plan outlining reuse options, target markets/niches, and a property marketing strategy including the entity responsible for implementation. In addition, action must be taken by the locality to improve the property's readiness for redevelopment. 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.

While site remediation is an eligible activity for PHCRF, Virginia's Department of Environmental Quality offers several programs to assist with remediation and environmental assessment including the Voluntary Remediation & Brownfields/Land Renewal Programs. Port Host Communities should exhaust these resources first before applying PHCRF funds to fill any gaps.

Visit **www.deq.virginia.gov** for more information.

Grant administration is not an eligible activity for PHCRF.

It is not the intent of the PHCRF 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/underutilized 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 commercial, industrial, retail, mixed-use, shell building, site clearance, or residential, regardless of the original use.

It is not the intent of the PHCRF Program to fund new construction, scattered site projects or the development of greenfield properties.

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. PHCRF grant funds are available on a reimbursement basis only, for costs the applicant has incurred and paid for. Documentation of matching funds must be submitted with each remittance before any funds are disbursed. In the case of GRANT/LOANS, PHCRF funding will be released as a grant to the applicant local government entity (or approved Development Authority), or 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 PHCRF program is to fund shovel-ready projects that will act as a catalyst to spark additional private investment and job creation in Port Host Communities, especially in 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 the project. Applicants must explain what is currently being done in the community and how the PHCRF funds will accelerate and expand those economic restructuring and development activities. Additionally, the application should identify why the proposed project is being prioritized for PHCRF funds over other projects in the locality.

2. **High degree of blight and 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 and/or the ability of the existing structure to be put to productive use. 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. Higher priority should 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. 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 enduse/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 a PHCRF grant must be procured in accordance with the **Virginia Public 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 PHCRF funds. See the list of items that should be provided, if available, to show project readiness.

Projects that can show the ability to close the PHCRF loan or go under contract with DHCD within six months of a PHCRF award notification are preferred. DHCD reserves the right to withdraw funding should the applicant not be under contract/close the PHCRF 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 that have not been approved by DHCD.

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, or to demonstrate that the cleared pad site or shell building is necessary for future economic or community activity. Successful projects should have executed development agreements, commitment letters from non-profit partners, operations/management agreements, leases for space, and detailed operations plans when possible. Projects that have speculative or undetermined end uses will be considered. If the application proposes a non-profit end use, the applicant or end user must demonstrate long-term sustainability by providing a 10-year operating proforma 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. Applicants must demonstrate how the completion of the PHCRF project will be a catalyst to larger economic revitalization efforts in the locality and region and may 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). For PHCRF purposes, a full-time equivalent job is defined as employment of at 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 unless these positions are being made available to a lower income neighborhood through the rehabilitation of a derelict structure.

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 are strongly encouraged to consider 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. PHCRF loans may be included in the Enterprise Zone Real Property Investment Grant schedule of Qualified Real Property investments, while PHCRF grants must be excluded.
- Location in a designated Opportunity Zone, a local, state or federal historic district, a redevelopment or blight removal district, a Technology Zone, or other similar district.
- Committed project leverage exceeds 1:1 match.

Prioritization

A locality may only 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 Chief Administrative Officer 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.

STATEMENT OF NEED FOR ADDITIONAL FUNDING

All Port Host Communities may apply for additional funds up to $520,000 ($1 million total) for their prioritized project. The amount of additional funding should be based on the funding gap for the individual project. DHCD reserves the right to reduce or pro-rate the amount awarded, based on an internal funding analysis and/or demand for the limited funds. Application for Statement of Need Funding shall be made at the time of application for the PHCRF by answering additional questions in the CAMS application. The Statement of Need awards must be matched on at least a 1:1 basis.

SUBMISSION REQUIREMENTS

Applications for PHCRF funding must be submitted through DHCD's Centralized Application Management System (CAMS). You can access CAMS using the following link: **https://dmz1.dhcd.virginia.gov/camsportal/Login.aspx**

AWARDS

PHCRF awards will be allocated through a threshold process that will ensure that each project funded serves the public interest and will remove blight while spurring additional private investment. Localities should give greater priority to projects leading to the efficient and immediate redevelopment and/or reuse of abandoned "industrial" structures.

Applications will be awarded funding based on the thorough demonstration of following criteria:

Relationship to Economic Development Strategy
Readiness
End Use Plans
Economic Impact
Elimination of Blight
Minimum $1 : $1 Match

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

PERFORMANCE AGREEMENTS AND CONTRACTUAL OBLIGATIONS

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

All contracts are subject to negotiation with DHCD. All projects will be required to have a deed covenant/restriction or a lien for a period of 5 years that requires DHCD approval prior to any sale or change in end-use for the property. In the case of a sale to a private sector entity and/or a change of use during the 5year period, DHCD may require a pro-rated repayment of the PHCRF funds based on the number of years of the deed restriction remaining. DHCD will not unreasonably withhold approval for project changes and changes in property ownership.
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 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 SUBMITAL

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 project cash flow, project timing, need for PHCRF funding, intent of the PHCRF program, and projected outcomes as outlined in the original application. To maintain consideration for PHCRF funding, substantial changes to project scope and/or budget will require applicants to provide DHCD with an updated description of the project. DHCD will not unreasonably withhold approval of projects that will meet the established criteria above.

APPLICATION INSTRUCTIONS

All FY27 applications for PHCRF funding must be submitted through CAMS. Complete each tab as indicated below:

Project Budget and Budget Narrative

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 PHCRF, use the "Other" category. In the narrative, please list the specific source of non-PHCRF 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.

Project Narrative

1. Executive Summary: Please describe the project. Include site description, current condition, blighting influence, plans for future use, and overall community benefit.
2. Discuss how and why this property/project was selected, including:
    a. Any local and regional economic development strategies or master plans and how the project ties in with identified goals/outcomes. Discuss the rationale for the selection of the targeted property versus another port-related vacant/deteriorated property in the locality.
    b. Discuss how this property was determined to be port-related, defined as any non-residential structure built or used for a purpose related to port activities; located near the port as to benefit from port activities, and/or is located on or near a transit route (rail, highway or waterway) that served/serves the port.
    c. Describe how this property was determined to be blighted. Describe the derelict elements and discuss the negative impact that the property, in its current condition, has had on other investments and job creation in the surrounding area.
    d. List any public or private investments or initiatives during the following time frames: within the past two years (are these investments being used as match?), currently underway, or within the next two years, that have or will contribute to or benefit from the success of the PHCR project.
3. Discuss the projected end use of the property and demonstrate how it is necessary for the locality's future economic or community activity.
    a. Will the property require an end user? Discuss how end users will be recruited and discuss interest or commitments to-date from possible end users. If the end

user has been identified, include any lease agreements/commitment letters as attachments. If there is a non-profit end use, please demonstrate long-term sustainability by providing a 10-year pro forma or other documents showing sustainability.

b. If it is the intent of the locality to use funds solely for acquisition or demolition, please discuss what other redevelopment funds the locality has committed to the property. Please discuss and attach any market-based redevelopment plan outlining reuse options, target market/niches, and a property marketing strategy including the entity responsible.

c. It is the intent of this program to put funds to immediate, productive use. Discuss the project status. What activities have been completed to prepare for redevelopment/reuse? What activities are outstanding that must be completed in order to begin the project? Please note that priority will be given to projects that can show the greatest readiness to proceed. Include in your discussion:

    1. What is the status of primary financing? When and how will it be secured?
    2. If needed, what is the process and time frame for the property to be rezoned for the intended use?
    3. Is the project design finalized? What steps remain?
    4. If New Market Tax Credits or Historic Tax Credits will be used, what is the status of securing them? If a bridge loan is necessary, what is its status? Projects should determine which activities the funds will be used for in a Tax Credit deal.
    5. Has a developer been identified? If so, discuss the developer's capacity. If the local government will act as the developer, please provide examples of previous projects. If the developer has not been identified, discuss the process and timeline for securing one.

4. Please indicate the primary and secondary economic impacts, and additional impacts of the project, and describe the methodology used to calculate these measures.
    a. Primary (includes any net new full-time and part-time jobs – not including construction, new businesses, and leveraged private investment).
    b. Secondary (includes increased local sales, meals, or lodging tax revenues, increased export or non-export revenues, increased daily and/or overnight visitors, and availability of commercial square footage).
    c. Additional Impact (including non-economic outcomes such as access to services or resources, workforce development and quality of life improvements).
5. Is this project eligible for local incentives, including, but not limited to:
    a. Revenue sharing district/agreement
    b. Real property tax abatement and/or other local incentives
    c. Location in a designated Enterprise Zone
    d. Location in a current CDBG project area
    e. Location within a special district, such as: Designated Main Street district, Local/state/federal historic district, Redevelopment/Blight Removal district, Technology Zones, Tourism Zones, Opportunity Zone

f. An area being addressed through Volume II Section 105.0 of the VA Uniform Statewide Building Code (under Code of Virginia Sec. 36-105)

6. Does your project have committed leverage funding in excess of a 1:1 match? If so, please provide the ratio of committed leverage funding to PHC request and attach commitment documentation.
7. Should funding be available, please provide your statement of need for additional funding. What gap exists within the project budget and how will additional funding help to address this? If additional funding is awarded, provide documentation that these funds can also be matched on at least a 1:1 basis. If an adequate and clear statement of need is not provided, DHCD will not consider additional funding for this project.

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." A sample is included in Appendix A.
- **Resolution**: The governing body of the locality must authorize the application for Port Host Communities Revitalization Funds for the specific property (address will be sufficient) and documenting the specific dollar amount in PHCRF 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 come up with the match. A sample is included in Appendix A.

Required Property Information Attachments

- **Property Summary Sheet:** Complete one sheet per structure to be addressed using PHCRF. Be as quantitative and specific as possible. A strong application will provide a clear idea of the physical need for PHCRF resources. Scattered site projects are ineligible. See Appendix B.
- **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.

- **Maps:** Include the following 8 ½ X 11 maps. **Each map** should clearly identify locality boundaries, major streets, highways (label), and the targeted property. Please use GIS where available
  - Base map outlining any or all of the following in which the targeted property is located: Revenue Sharing Area; State Enterprise Zone; Technology Zone; Designated Virginia Main Street district; Local Redevelopment or Conservation

District (Code of Virginia Sec. 36-49 & 36-49.1); National, State, or Local Historic District; Local Spot Blight Removal Plan (Code of Virginia Sec. 36-49.1:1); Volume II Section 105.0 of the Virginia Uniform Statewide Building Code Enforcement Area (under Code of Virginia Sec. 36-105). Please outline and explain any other type of designated area or district.

- Zoning map or land use map if the locality does not have zoning.

Match Use Chart

The intent of the PHCRF money is to help fill a financing gap that has prevented the re-use and/or redevelopment of vacant and blighted port-related property. As such, applicants are required to provide at least a 100 percent local match (from private or public sources).

Local match must either be cash or documented costs that are directly associated with the work being done on the property where PHCRF funds are expended. Local match may also include federal (including CDBG), local or private funds spent on or after July 1, 2025, on activities directly related to the targeted project. Match requirements are discussed above.

Required Match Example

Source of Matching Fund	Amount of Matching Fund	Status of Matching Fund
Industrial Development Authority	$100,000	Cash, July 1, 2025, Resolution; Attachment A
CDBG Funds	$450,000	October 30, 2025, Award letter; Attachment B
Port Host City	$27,500	Staff hours will be documented on a monthly basis and submitted as part of drawdown request
Industrial Development Authority	$50,000	Repaving parking lot, November 2025, Paid invoice, Attachment C
Total	**$627,500**	

Additional Project Specific Attachments

Attach additional information, as 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 PHCRF 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; market-based redevelopment plans
- 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)

SCORING

PHCRF awards will be allocated through a threshold process that will ensure that each project funded serves the public interest and will remove blight while spurring additional private investment. Localities should give greater priority to projects leading to the efficient and immediate redevelopment and/or reuse of abandoned "industrial" structures. Applications will be awarded funding based on the thorough demonstration of the following criteria:

Relationship to Economic Development Strategy
Readiness
End Use Plans
Economic Impact
Elimination of Blight
Minimum $1 : $1 Match

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 PHCRF 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 precontract/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 five (5) years that requires DHCD approval prior to any sale or change in end-use for the property. In the case of a sale to a private sector entity and/or a change of use during the

5-year period, DHCD may require a pro-rated repayment of the PHCRF 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 its designated funds by the project completion date specified in its contract/ loan award may lose the remaining fund balance.

TIMETABLE

How-to-Apply Technical Assistance

DHCD will offer technical assistance to port host communities as they work to develop projects eligible for this program. Should it be necessary, DHCD will schedule a how-to-apply webinar to promote the program within those localities and discuss the application requirements.

Register your Organization in CAMS	ASAP
Application Submittal Deadline	October 30, 2026
Application Review	Fall 2026
Anticipated Award Announcement	Fall/Winter 2026