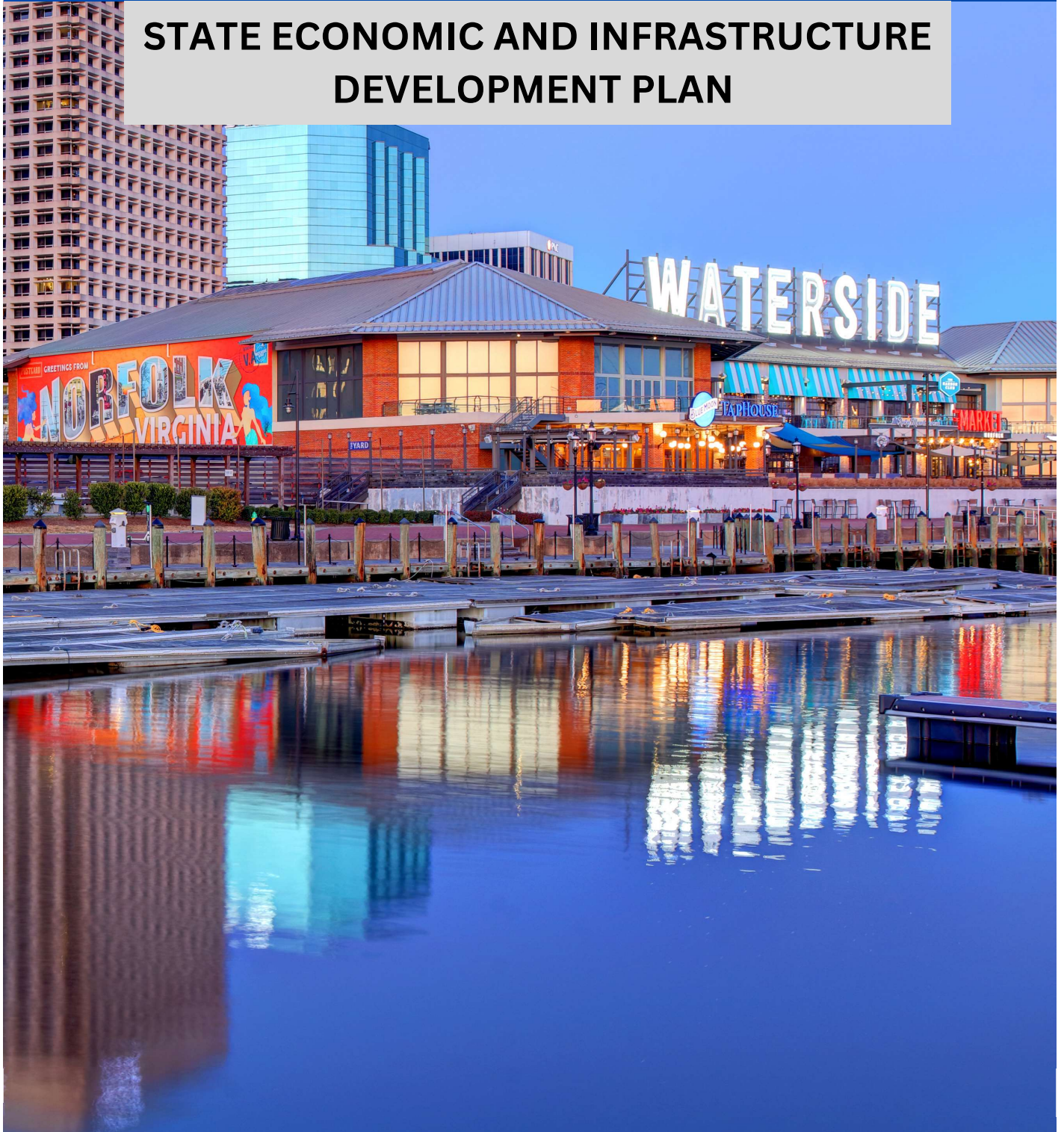


2023 Virginia Southeast Crescent Regional Commission

STATE ECONOMIC AND INFRASTRUCTURE DEVELOPMENT PLAN



Southeast Crescent Regional Commission Virginia Economic and Infrastructure Development Plan

The Southeast Crescent Regional Commission (SCRC) is an economic development partnership agency of the federal government and seven State governments. SCRC's mission is to build sustainable communities and strengthen economic growth across the Southeast Crescent region. SCRC was created by Public Law 110-246, the Food, Conservation, and Energy Act of 2008 (as amended, the "Act") to focus on addressing issues related to economic development and poverty in its 428 counties across Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Virginia. Of the 428 counties, 39 percent experience persistent poverty.

Authorized by 40 U.S.C. §15502(a), this document serves as Virginia's State Economic and Infrastructure Development Plan, which will identify Virginia's priorities for funding and projects within the SCRC program. The Plan aligns with the SCRC's six strategic goals:

- 1) Invest in critical infrastructure,
- 2) Improve health and public service access and outcomes,
- 3) Strengthen workforce capacity,
- 4) Foster entrepreneurial and business development activities,
- 5) Expand affordable housing stock and access, and
- 6) Promote environmental conservation, preservation, and access.

As part of the development process for the State Economic and Infrastructure Development Plan, DHCD conducted a public input process in which Virginia residents, local development districts (LDDs), local units of government, local colleges and universities, and other stakeholders from across the state were invited to submit ideas, recommendations, and feedback on the State Development Plan. A public survey was conducted in November (the results from the survey will be discussed later in this plan), and two public input sessions were held on November 28th and 29th.

About SCRC

The regional commission's goal is to eradicate persistent poverty in the Southeast region of the United States, particularly in the seven-state region of the SCRC. With this goal in mind, the SCRC is focused on providing programmatic investments in physical infrastructure, capital, services, and capacity building efforts to promote sustainable communities and foster economic growth. SCRC is committed to investing at least 50 percent of funds to designated distressed areas in the SCRC region. The SCRC uses the Appalachian Regional Commission's index-based classification system to compare each county to the national averages of three-year average unemployment rates, per capita market income, and poverty rates in order to determine economic classification designation. The three levels of economic classification are as follows:

Distressed - the most economically distressed counties. They rank in the lowest 25% of the nation's counties.

Transitional - transitioning counties between strong and weak economies. They rank between the lowest 25% and the highest 25% of the nation's counties. Transitional counties make up the largest economic class designation.

Attainment - counties that are the economically strongest. They rank in the highest 25% of the nation's counties.

Isolated Areas of Distress – Those areas located in counties designated as attainment counties that have high rates of poverty, unemployment, or outmigration.

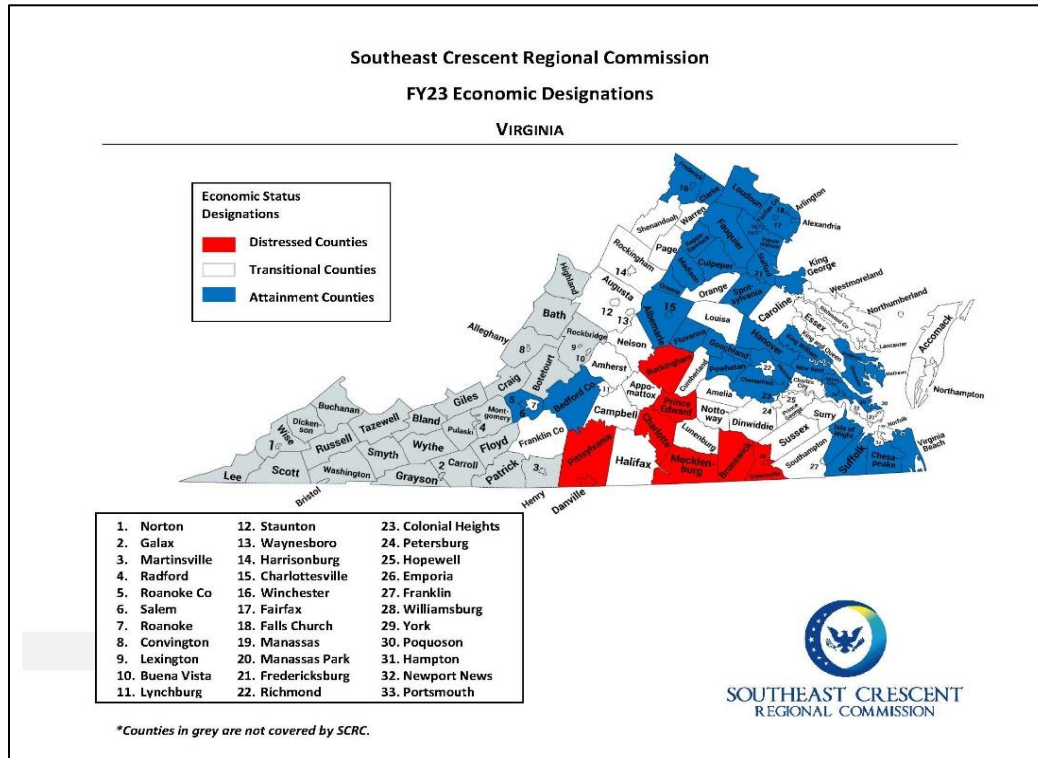
Virginia's Isolated Areas of Distress

FY23 SCRC Isolated Areas of Distress (Attainment Counties/County Equivalents Only)							
	State	County/County Equivalent	Census Tract	Designation	Poverty Rate	Median Household Income	Historically Disadvantaged Community
133	Virginia	Charlottesville city	6	Distressed	67.1%	\$22,908	Yes
134	Virginia	Chesterfield County	1001.07	Distressed	33.4%	\$43,952	Yes
135	Virginia	Chesterfield County	1003	Distressed	27.8%	\$37,615	Yes
136	Virginia	Chesterfield County	1004.04	Distressed	18.3%	\$37,460	Yes
137	Virginia	Chesterfield County	1004.06	Distressed	37.6%	\$32,682	Yes
138	Virginia	Suffolk city	651	Distressed	20.8%	\$41,838	Yes
139	Virginia	Winchester city	1.02	Distressed	31.0%	\$39,537	Yes

SCRC Virginia Overview

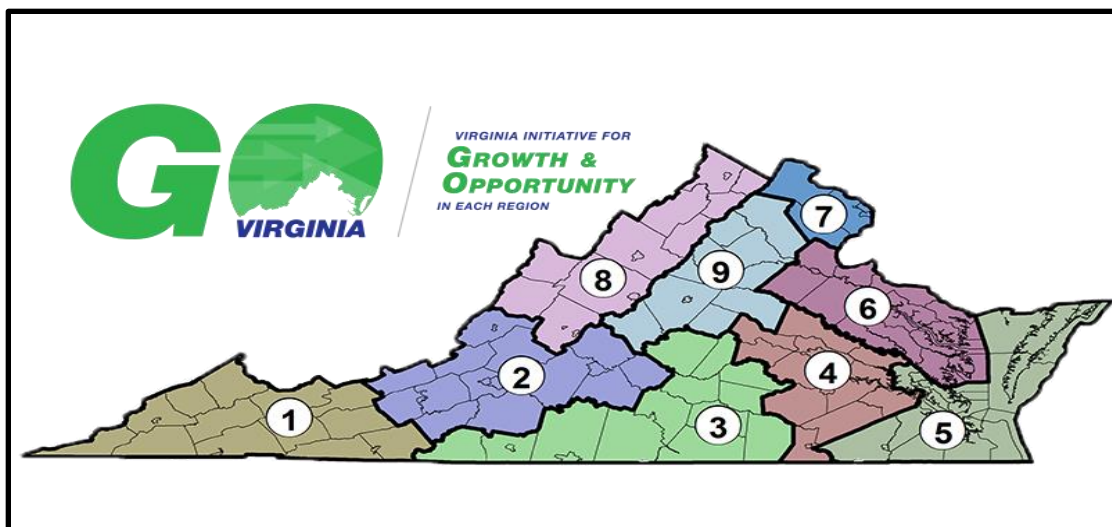
Governor Glenn Youngkin will serve as the Virginia Commission member. The Virginia Department of Housing and Community Development (DHCD) is the state agency responsible for administering the SCRC program. There are 100 localities located in the SCRC footprint. There are 46 localities identified as *transitional*, and there are nine localities identified as *distressed*. The distressed localities are Brunswick, Buckingham, Charlotte, Danville City, Emporia City, Greenville, Mecklenburg, Pittsylvania, and Prince Edward.

Virginia SCRC FY23 Economic Designations



From mountains to beaches, from the Eastern Shore to the Blue Ridge Parkway, from rolling valleys to busy highways, every SCRC community is different, and likewise, every locality has its own unique needs and priorities. Because each community differs in geography, population, density, socioeconomic factors, and economic growth, this Plan reflects communities through the Virginia Initiative for Growth and Opportunity (GO Virginia) regions. The SCRC program area is included in GO VA regions 2, 3, 4, 5, 6, 7, 8, and 9.

GO Virginia Regions



Region 2 consists of the cities of Covington, Lynchburg, Radford, Roanoke, and Salem; and the counties of Alleghany, Amherst, Appomattox, Bedford, Botetourt, Campbell, Craig, Floyd, Franklin, Giles, Montgomery, Pulaski, and Roanoke. Some of the priorities for this region include innovation, building a strong talent pipeline, entrepreneurial development, and site readiness. Several projects aligned with these priorities include the Blockchain Ecosystem Catalyst, Building a Regional Health Sciences Talent Pipeline, and the GO Virginia Region 2 Talent Collaborative.

Region 3 localities include the cities of Danville and Martinsville; and the counties of Amelia, Brunswick, Buckingham, Charlotte, Cumberland, Halifax, Henry, Lunenburg, Mecklenburg, Nottoway, Patrick, Pittsylvania, and Prince Edward. The top priority economic clusters of this region include advanced manufacturing, healthcare, IT, and cyber infrastructure. Regional entrepreneurship and innovation initiatives include Rise Collaborative, the SOVA Innovation Hub, Project SEED, GO TEC, and the Bridge to Recovery.

Region 4 includes the cities Colonial Heights, Emporia, Hopewell, Petersburg, and Richmond; and the counties of Charles City, Chesterfield, Dinwiddie, Goochland, Greensville, Hanover, Henrico, New Kent, Powhatan, Prince George, Surry, and Sussex. GROW Capital Jobs Foundation is the support organization for Region 4 and works to increase the number of high-paying, private sector jobs.

Region 5 includes the counties of Accomack, Isle of Wight, James City, Northampton, Southampton, and York, cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and Williamsburg. The Eastern Shore is encompassed in this region. Several regional initiatives include the Port of Virginia Opportunity Strategy, Hampton Roads Entrepreneurial Ecosystem Assessment, Hampton Roads Access to Capital Analysis, Regional Workforce Gap Analysis, and Regional Industry Cluster Scale-Up Project.

Region 6 includes the counties of Gloucester, Mathews, and Middlesex (known as the Middle Peninsula), Caroline, Essex, King and Queen, King George, King William, Lancaster, Northumberland, Richmond, Spotsylvania, Stafford, and Westmoreland, and the city of Fredericksburg. The top economic driver for the region is aquaculture, commercial fishing, and seafood processing. The Middle Peninsula recently launched the nation's first resiliency program, Fight the Flood, and this community prioritizes funding sources for natural resources and resiliency efforts.

Region 7 cities Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park; and the counties of Arlington, Fairfax, Loudoun, and Prince William. Region 7's priority clusters include: computer services, cyber security, consulting services, and financial services. More

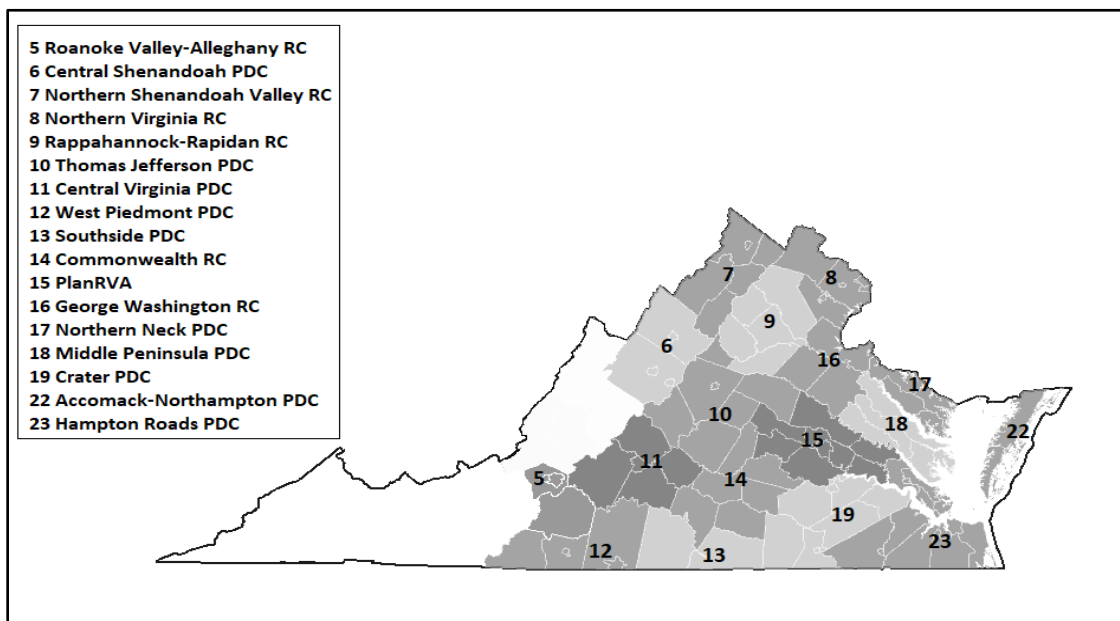
commonly known as NOVA, this region is where innovation, IT, and technology collide, and hosts economic development drivers such as Amazon HQ2, the Virginia Tech Innovation Center, and the Hylton Performing Arts Center.

Region 8 localities consist of the cities of Buena Vista and Lexington, and the counties Bath, Highland and Rockbridge. Region 8 priority clusters are: financial and business services, health care, Information Technology/Communications, light manufacturing, and transportation and logistics. Region 8, or “The Valley” have deep roots in agriculture, natural resources programs, and tourism; notable projects in this region include Common Grain Alliance, the Small Business Resiliency Team, the Rockbridge Area Advanced Manufacturing Program (RAAMP), and the Shenandoah Valley Business Scale-Up Program.

Region 9 localities include the city of Charlottesville, and the counties of Albemarle, Culpeper, Fauquier, Fluvanna, Greene, Louisa, Madison, Nelson, Orange, and Rappahannock. Region 9 priority clusters are: Light Manufacturing, Biotechnology and Biomedicine, Food and Beverage Manufacturing, and IT and Communications. Region 9 is known as the Piedmont Opportunity Corridor, and some notable projects in this region include the Biotech Innovation Cluster Growth, Cville BioHub, Project Rebound, and the George Washington Carver Piedmont Technical Education Center.

Federal and State Partners

The SCRC region is served by 17 Local Development Districts (LDDs).



Each LDD is governed by a Board of Directors composed of local government representatives. The LDDs are an active and critical part of the SCRC partnership. The DHCD staff meet with the LDDs regularly to discuss regional issues and to gauge the need for SCRC resources. Applicants should consult with LDDs prior to grant submission. Contact information for LDDs can be found on the [VA PDC Directory](#).

State partners to the Virginia SCRC include Community Action Agencies, local governments, regional agencies, colleges and universities, including Historically Black Colleges and Universities (HBCUs), non-profit agencies, community services boards, workforce development boards, and others.

Virginia Economic Development Partnership

The Virginia Economic Development Partnership (VEDP) is the state economic development authority for the Commonwealth of Virginia. VEDP works with local, regional, and state partners to strengthen and diversify Virginia's economy. Some of VEDP's goals include marketing and lead generation; business retention, expansion, and attraction; trade development; business intelligence; competitive benchmarking; site development; performance-based incentives; and talent solutions.

USEDA

The US Economic Development Administration is the federal economic development agency that promotes regional economic initiatives in communities across the US. EDA aims to build local and regional capacity to support the implementation of economic development strategies that advance new ideas and creative approaches to advance economic prosperity in distressed communities.

Rural USDA

The US Department of Agriculture Rural Development promotes rural economic development by investing in sustainable infrastructure such as internet and water and wastewater systems. RD is a state partner and supports the development of community facilities, hospitals, schools, and libraries. RD works with businesses and entrepreneurs to expand and improve services, and it supports programs that protect and promote agriculture and industry.

Virginia's Economic Development Opportunities

GO Virginia

GO Virginia is a bipartisan, business-led economic development initiative that is changing the way Virginia's diverse regions collaborate on economic and workforce development activities. It supports efforts to create more high-paying jobs through incentivized collaboration between business, education, and government to diversify and strengthen the economy in every region of the Commonwealth.

Virginia Telecommunication Initiative

The primary objective of VATI is to provide financial assistance to supplement construction costs by private sector broadband service providers, in partnership with local units of government to extend service to areas that presently are unserved by any broadband provider. ARC funds have been used in conjunction with VATI funds to support broadband efforts.

Enterprise Zones

The Virginia Enterprise Zone (VEZ) program is a partnership between state and local government that encourages job creation and private investment. VEZ accomplishes this by designating Enterprise Zones throughout the state and providing two grant-based incentives, the Job Creation Grant (JCG) and the Real Property Investment Grant (RPIG), to qualified investors and job creators within those zones, while the locality provides local incentives.

Virginia Business Ready Sites Program

The Virginia Business Ready Sites Program (VBRSP) is a discretionary program to promote development and characterization of sites to enhance the Commonwealth's infrastructure and promote its competitive business environment. The program's goal is to identify and assess the readiness of potential industrial sites of at least 100 acres in the Commonwealth of Virginia or 50 acres in GO Virginia Region 1 or 2 for marketing in alignment with the goals outlined in the Governor's economic development plan. Virginia invests \$150 million in site development to attract job creators.

2022 Virginia Energy Plan

Every four years, Virginia Energy develops a comprehensive energy plan for the Commonwealth; Governor Youngkin's vision for this plan is an all-sources approach to providing energy policy decisions for Virginians. The 2022 Plan will focus on four key objectives in order to make available energy sources affordable and transparent: lower cost of living, job creation, bringing people to Virginia, and an "all-of-the-above" approach to energy policy. The "all-of-the-above" approach will be informed by energy affordability, reliability, capacity, competition, environmental stewardship, choice and innovation. Ensuring all

Virginians have access to affordable and reliable energy sources is a priority for the Commonwealth as well as for the SCRC region.

Virginia Talent and Opportunity Partnership

The Virginia Talent + Opportunity Partnership (Virginia TOP) connects Virginia businesses that have work-based learning opportunities to Virginia students looking for them, with Virginia's higher ed institutions serving as the main catalyst.

Innovative Internship Fund

In 2018, the Virginia General Assembly appropriated funding to the State Council of Higher Education for Virginia (SCHEV) to stimulate public colleges and universities to develop partnerships to provide innovative paid internship opportunities for their students. In 2019, the effort was expanded and enacted into law as the Innovative Internship Fund and Program. The purpose of the program is to expand paid and credit-bearing student internships and other work-based learning opportunities in collaboration with Virginia employers. The program comprises institutional grants and a statewide initiative to facilitate the readiness of students, employers and institutions of higher education to participate in internship and other work-based learning opportunities.

HBCUs and Urban League Partnership

In November 2022, Virginia launched a new initiative to address catastrophic learning loss through a tutoring partnership between the Urban Leagues of Hampton Roads and Greater Richmond and four Historically Black Colleges and Universities: Norfolk State University, Hampton University, Virginia State University, and Virginia Union University. HBCU students will serve as tutors and mentors to high school and middle school students in their communities.

Needs Assessment

Infrastructure

In 2022, the Virginia Section of the American Society of Civil Engineers gave the Commonwealth of Virginia a grade of “C” for its overall infrastructure, meaning that much of the infrastructure is in fair to good shape, but some things are deteriorating and may be at increasing vulnerability to risk.¹ Virginia’s many infrastructure strengths include the condition of the critical I-95 corridor, rail service connecting millions of pounds of freight and millions of passengers annually, and The Port of Virginia, which has improved dockside infrastructure. Stormwater management systems are also improving faster than national benchmarks. While transit systems struggled during the COVID-19 pandemic, they have begun to rebound, and Amtrak passenger rail routes are breaking ridership records.

However, Virginia is experiencing some of the same challenges as other fast-growing and coastal states. Traffic congestion in Northern Virginia is an ongoing problem, and the region lacks the transit and bike infrastructure that could serve as an alternative. The Tidewater region is challenged by water management issues and severe weather and would benefit from increased resilience.

Water Infrastructure

According to the American Society of Civil Engineers, the Commonwealth of Virginia earned a C+ grade for its drinking water infrastructure, a C- grade for its stormwater systems, and a D+ grade for its wastewater infrastructure.² Virginia has made significant progress on its drinking water infrastructure over the past few years, and it is slated to transform even more of the system with a \$100 million investment from the American Rescue Plan. In the past five years, the cities of Richmond and Chesapeake and the counties of Washington and Henry have received state funds for lead service line replacement. The City of Alexandria has reduced the number of lead pipes in their jurisdiction by 25 percent since 2018.³ The locations of all lead pipes within the commonwealth are currently unknown; however, The Safe Drinking Water Act of 2022 requires states to submit a full inventory of lead pipes to the Environmental Protection Agency, so the commonwealth is currently compiling this information.⁴

¹ Virginia Section of the American Society of Civil Engineers, *Report Card for Virginia Infrastructure*. American Society of Civil Engineers, 2022, <https://infrastructurereportcard.org/wp-content/uploads/2016/10/Report-2022-VA-IRC-FINAL-WEB.pdf>

² Virginia Section of the American Society of Civil Engineers, *Report Card for Virginia Infrastructure*. American Society of Civil Engineers, 2022, <https://infrastructurereportcard.org/wp-content/uploads/2016/10/Report-2022-VA-IRC-FINAL-WEB.pdf>

³ Koslof, Evan. “Verify: Where Are the Lead Pipes in DC, Maryland and Virginia?” *wusa9.com*. WUSA9, March 16, 2022. <https://www.wusa9.com/article/news/verify/lead-pipes-in-dc-maryland-and-virginia-fact-check-2022/65-83be9ed3-50ac-45bb-ad72-efe38a57756d>.

⁴ “EPA Issues Guidance to Help Communities Locate Lead Pipes That Can Contaminate Drinking Water.” EPA. Environmental Protection Agency, August 4, 2022. <https://www.epa.gov/newsreleases/epa-issues-guidance-help-communities-locate-lead-pipes-can-contaminate-drinking-water>.

The 2015 United States Geological Survey (USGS) Water Use Report estimated that approximately 1.56 million Virginians depend on private groundwater wells for their domestic water supply, estimating around 20% of Virginia’s public and private residential water supply.⁵ Additionally, American Community Survey (ACS) data reports that 9,587 occupied housing units across the commonwealth were lacking complete plumbing facilities in 2021.⁶

Sewer Infrastructure

Sewer flows to Virginia’s municipal wastewater treatment facilities have increased an average of 12.5% over the past 5 years as the population has grown to over 8.5 million.⁷ With an estimated 8% increase in population expected to occur over the next ten years, growing sewer flows will likely strain the Commonwealth’s wastewater capacity and potentially overload some treatment facilities.⁸ The U.S. Environmental Protection Agency (EPA) indicates that the design life for sewage collection systems is 80 to 100 years, 25 years for force mains, and 50 years for concrete structures in pump stations and treatment facilities.⁹ Based on these timelines, much of Virginia’s aging wastewater infrastructure is approaching or past due for replacement.

Coastal Virginia is also susceptible to sea level rise and extreme weather. In 2018 and 2019, flooding was listed as the most common and costly natural hazard in the Commonwealth with over nine major flooding events and infrastructure damages totaling at least \$1.6 billion.¹⁰ Population growth and aging stormwater infrastructure increase that vulnerability to rain events, flooding, and severe storms. More than 70% of Virginia’s population and almost all of the population in the SCRC region live in areas considered to be coastal.¹¹ This combination of growth, intensified weather patterns, and old infrastructure can cause expensive and logistically difficult problems. For example, the Cities of Richmond, Lynchburg and Alexandria all have

⁵ Dieter, Cheryl A., Molly A. Maupin, Rodney R. Caldwell, Melissa A. Harris,, Tamara I. Ivahnenko, John K. Lovelace, Nancy L. Barber, and K.S. Linsey, “Estimated use of water in the United States in 2015” *U.S. Geological Survey Circular* 1441, no. 65 p. (2018). <https://doi.org/10.3133/cir1441>. [Supersedes USGS Open-File Report 2017–1131.]

⁶ U.S. Census Bureau; American Community Survey, 2021 American Community Survey 5-Year Estimates, Table B25016; generated using; <<https://data.census.gov/>> (8 December 2022).

⁷ Virginia Section of the American Society of Civil Engineers, *Report Card for Virginia Infrastructure*. American Society of Civil Engineers, 2022, <https://infrastructurereportcard.org/wp-content/uploads/2016/10/Report-2022-VA-IRC-FINAL-WEB.pdf>

⁸ “Population Projections for Virginia and its Localities, 2020-2040.” Demographics Research Group of the Weldon Cooper Center for Public Service. June 2019. <http://demographics.coopercenter.org>.

⁹ The Clean Water and Drinking Water Infrastructure Gap Analysis. U.S. Environmental Protection Agency. Office of Water (4606M). September 2002. EPA-816-R-02-020. https://www.chesapeakebay.net/what/publications/the_clean_water_and_drinking_water_infrastructure_gap_analysis_2002.

¹⁰ “U.S. Billion-Dollar Weather and Climate Disasters.” (NOAA National Centers for Environmental Information (NCEI), 2019), <https://www.ncdc.noaa.gov/billions/events/VA/2018>

¹¹ Virginia Department of Conservation and Recreation, *Virginia Coastal Resilience Master Plan*. December 2021, <https://www.dcr.virginia.gov/crmp/plan#:~:text=Nearly%20six%20million%20people%2C%20or,diverse%20communities%20and%20natural%20features>.

combined sanitary and stormwater systems that are over 200-year-old and are regularly overwhelmed; the cities are challenged to fund system separation.¹² Additionally, while flooding is the most common and costly natural disaster, only 3% of Virginians have flood insurance¹³. It is estimated that 1 inch of water in a home can cause upwards of \$25,000 in damages.¹⁴

Available resources for resolving these issues include the VDH Drinking Water State Revolving Loan Fund (DWSRLF), which provides funding and financing opportunities for drinking water infrastructure, and the Virginia Financial & Construction Assistance Programs (FCAP) Lead Service Line Replacement (LSLR) Program. Some cities within Virginia have dedicated funding streams such as stormwater user fees paid by residents to address stormwater system maintenance and new capital projects. The state provides some funding for stormwater through its Virginia Clean Water Revolving Loan Fund (VCWRLF), Stormwater Local Assistance Fund (SLAF) and Water Quality Improvement Fund (WQIF). The Virginia Community Flood Preparedness Fund, funded by the Regional Greenhouse Gas Initiative (RGGI) is expected to provide an estimated \$75 million a year to improve the resilience of the Commonwealth, including targeted funding for Virginia's most vulnerable and underserved communities. Some funding programs, such as the U.S. Department of Agriculture Rural Development's (USDA RD) Water & Environmental Programs and the Southeast Rural Community Assistance Project (SERCAP), Inc., specifically target rural communities and small treatment systems. In 2021, the Virginia General Assembly allocated \$411 million of American Rescue Plan funds for stormwater, sewer, and wastewater projects, and the state is slated to receive about \$8 billion in funding from the Infrastructure Investment and Jobs Act.

Broadband

In a world that went digital almost overnight, bridging the digital divide in Virginia became a top priority. Despite the fact that approximately 70% of the world's internet traffic flows through the Commonwealth, there are still hundreds of thousands of locations that lack access to broadband. These include unconnected homes, businesses and important community anchors that are located in some of the most remote and difficult to reach areas of the Commonwealth. A 2019 study found that access to broadband throughout Virginia could empower growth in rural and small businesses, which could add as much as \$1.3 billion to gross state product and create over 9,400 new jobs.

Since 2017, significant state investments have gone towards bridging the digital divide and bringing broadband to unserved areas across the Commonwealth. Within the SCRC region, Lunenburg County in Southside Virginia had the lowest percentage of individuals with

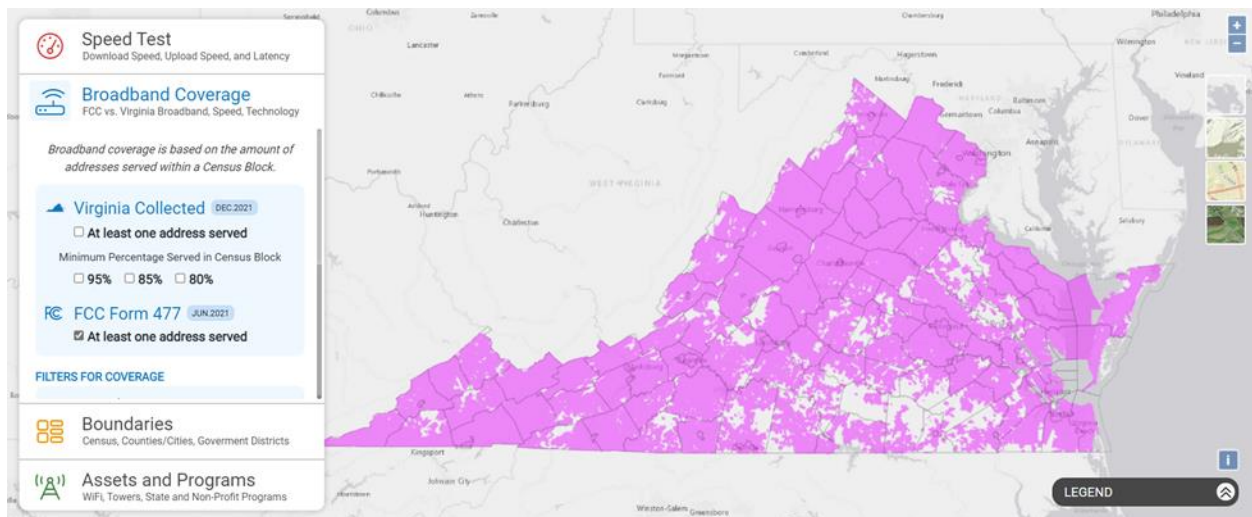
¹² "Combined Sewer (CSO) Project." Richmond, Virginia. <http://www.richmondgov.com/PublicUtilities/projectCombinedSewerOverflow.aspx>.

¹³ "Flood Insurance - Why You Need It." Virginia Flood Awareness Week, 2022. <https://www.dcr.virginia.gov/floodawarenessweek/#:~:text=Flooding%20is%20the%20most%20common,upwards%20of%20%2425%2C000%20in%20damages>.

¹⁴ "Flood Insurance - Why You Need It." Virginia Flood Awareness Week, 2022. <https://www.dcr.virginia.gov/floodawarenessweek/#:~:text=Flooding%20is%20the%20most%20common,upwards%20of%20%2425%2C000%20in%20damages>.

broadband access at 58%.¹⁵ In rural areas, nearly a third of Virginia residents may not have any access to broadband, but even in urban areas, broadband may not be affordable to lower-income households. The census tracts with the lowest broadband adoption rates are in low-income census tracts in Richmond.

In 2017, it was estimated that approximately 500,000 connections were needed for unserved areas in Virginia¹⁶. With the data DHCD has collected through our broadband mapping efforts, we know that 461,000 locations still lack access to high speed internet, and 210,000 homes, businesses, and community anchor institutions remain without a funded solution for broadband access. The map below shows areas of the state where at least one address in the census block was covered by broadband access.¹⁷ While much of the state has widespread access, there are clear gaps in Southern and Central Virginia that can be addressed with SCRC funding.



Currently, Virginia is funding broadband projects through its Virginia Telecommunications Initiative (VATI), Community Development Block Grants (CDBG), Commonwealth Connect, the Utility Leverage Program, and the Line Extension Customer Assistance Program (LECAP). Since 2017, VATI has invested over \$846 million of state and federal dollars to provide broadband connections across the Commonwealth. Through VATI, Virginia's largest broadband expansion program, over 358,000 locations will have broadband access through \$798.7 million in state investments once all projects are completed. These investments have leveraged an additional \$1.1 billion in matching funds from local governments

¹⁵ University of Wisconsin Population Health Institute. County Health Rankings & Roadmaps 2022. www.countyhealthrankings.org.

¹⁶ Commonwealth Connect. *Commonwealth Connect Plan*. 2021. <https://commonwealthconnect.virginiainteractive.org/sites/default/files/commonwealth-connect-report.pdf>

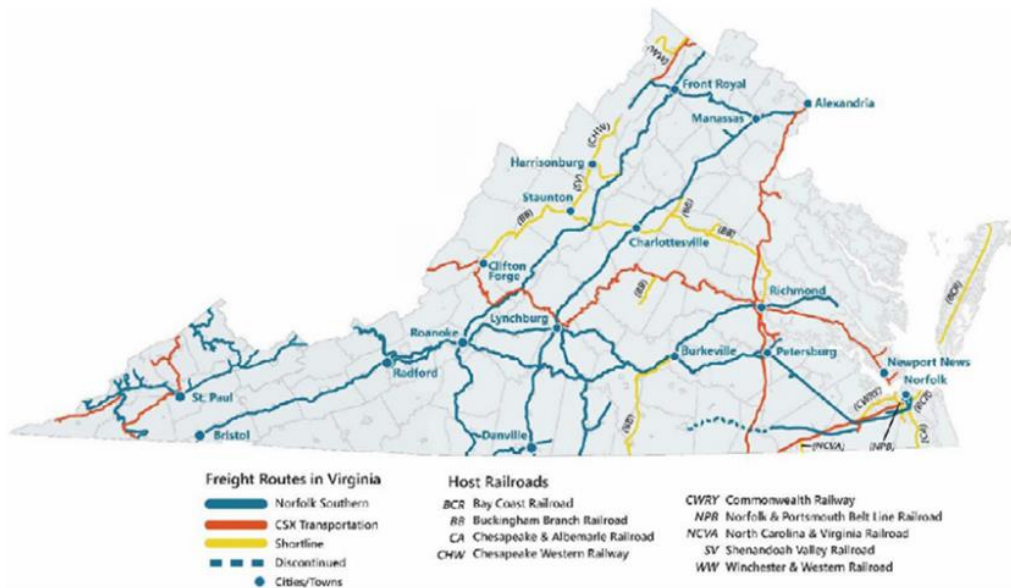
¹⁷ CGIT (Center for Geospatial Information Technology). Commonwealth Connection - Virginia Broadband Map, 2022. <https://commonwealth-connection.com/>.

and internet service providers. The VATI program alone has helped 75 counties and cities work towards achieving universal broadband access since the program’s inception.

Transit

While Virginia’s roads, bridges, and dams also need ongoing investment, this section focuses primarily on the SCRC priorities of rail and public transit systems. The Virginia Section of the American Society of Civil Engineers gave Virginia a grade of C- for both its rail and transit systems.¹⁸

FIGURE 1 – FREIGHT RAIL IN VIRGINIA (DRPT)



Virginia has over 3,000 miles of active rail lines, including both freight and passenger, that move millions of tons of freight and nearly 1.5 million passengers annually. There is a significant need for more rail capacity between Richmond and Washington, D.C., as well as the need to rehabilitate aging parts of the rail infrastructure along that line, including the Long Bridge, which often operates at 98% capacity.¹⁹ Virginia’s private rail companies, CSX and Norfolk Southern make significant investments to improve conditions. For example, the Port of Virginia approved a more than \$60 million contract to expand capacity.²⁰ The state announced agreements with CSX and Norfolk Southern to purchase a total of 412 miles of railroad right-of-

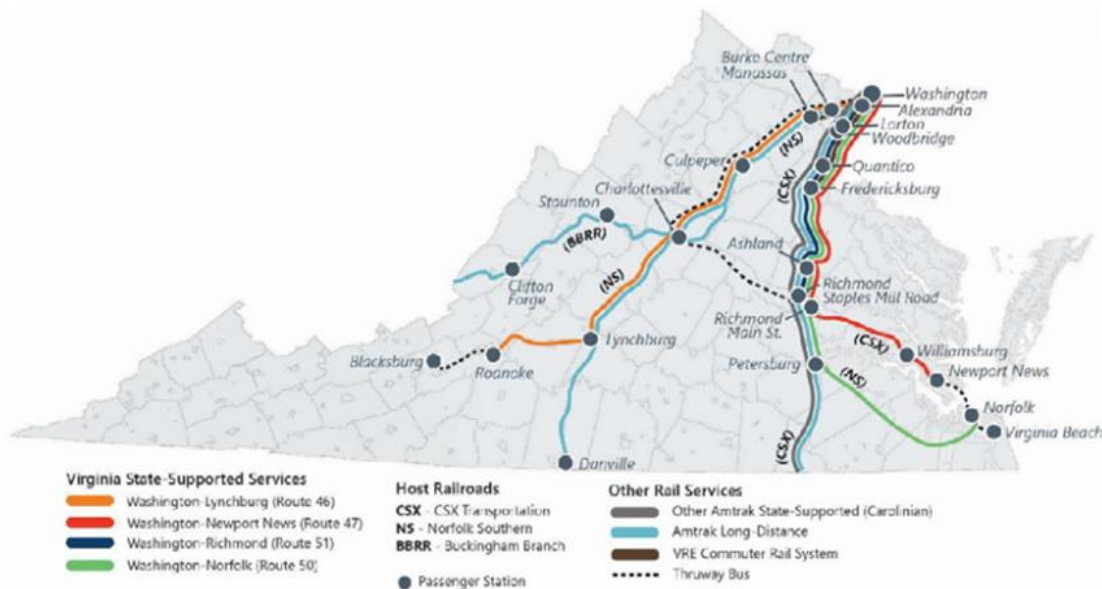
¹⁸ Virginia Section of the American Society of Civil Engineers, *Report Card for Virginia Infrastructure*. American Society of Civil Engineers, 2022, <https://infrastructurereportcard.org/wp-content/uploads/2016/10/Report-2022-VA-IRC-FINAL-WEB.pdf>

¹⁹ Virginia Section of the American Society of Civil Engineers, *Report Card for Virginia Infrastructure*. American Society of Civil Engineers, 2022, <https://infrastructurereportcard.org/wp-content/uploads/2016/10/Report-2022-VA-IRC-FINAL-WEB.pdf>

²⁰ Crawford, Nathan. “Port of Virginia Approves \$61 Million Construction Bid to Expand Rail Capacity.” WAVY.com. WAVY.com, November 19, 2021. <https://www.wavy.com/news/business/port-of-virginia-approves-61-million-construction-bid-to-expand-rail-capacity/>.

way and 251 miles of railroad track.²¹ The Commonwealth plans to construct 50 miles of new railroad track and double railroad capacity between Washington, D.C. and Virginia by expanding and reconstructing the Long Bridge Potomac River railroad crossing. These agreements, called the Transforming Rail in Virginia program (TRVA), form a \$4 billion rail plan enabling six new roundtrip Amtrak Regional trains, extension of service from Roanoke to Christiansburg, and five more VRE trains on the Fredericksburg line (including weekend service).²²

FIGURE 2 – PASSENGER RAIL SERVICE IN VIRGINIA (DRPT)



The 2020 General Assembly established the Commonwealth Rail Fund (CRF) to replace DPRT operations and capital funds. The federal Infrastructure Investment and Jobs Act also includes significant new resources for the national passenger rail network, including \$102 billion nationally to eliminate the Amtrak maintenance backlog, modernize the Northeast Corridor. Despite this funding, Virginia still needs to make additional investments in the Richmond to Manchester, WV freight line and the passenger rail lines that extend to DC and its suburbs.

The Commonwealth’s 41 transit agencies provided almost 172 million trips in FY 2019, the last year before the COVID-19 pandemic.²³ Since the onset of the pandemic, transit agencies are fighting to win back riders with investments in capacity and condition. The 2022 Virginia

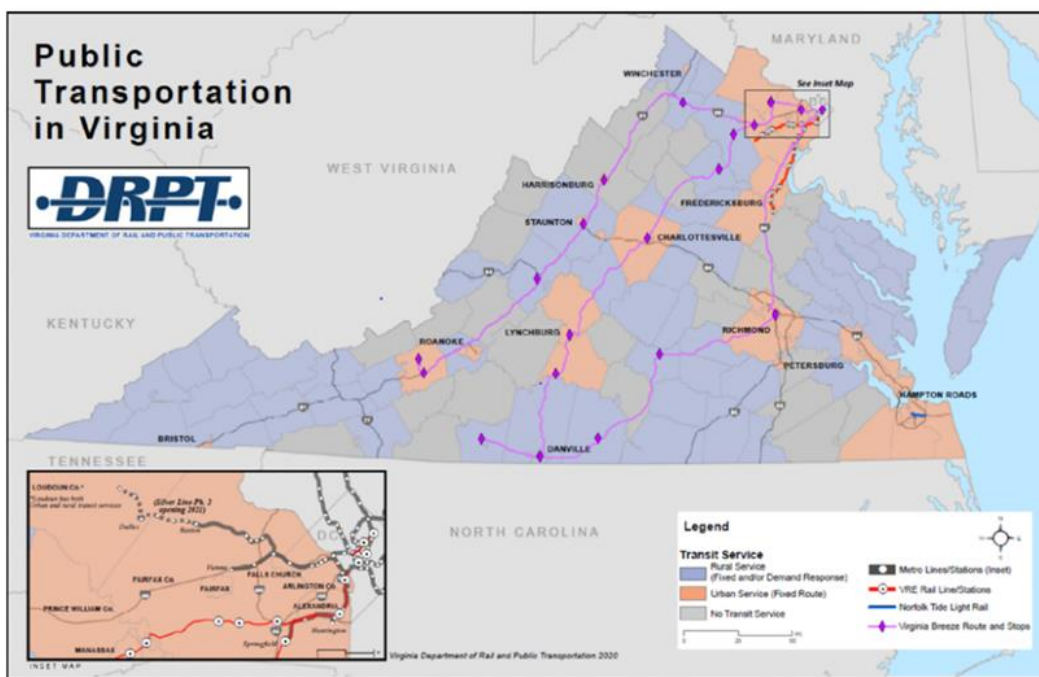
²¹ “Building out Rail Capacity 2022.” Virginia Conservation Network, September 21, 2022. <https://vcnva.org/agenda-item/building-out-rail-capacity/>.

²² Virginia Section of the American Society of Civil Engineers, *Report Card for Virginia Infrastructure*. American Society of Civil Engineers, 2022, <https://infrastructurereportcard.org/wp-content/uploads/2016/10/Report-2022-VA-IRC-FINAL-WEB.pdf>

²³ Virginia Section of the American Society of Civil Engineers, *Report Card for Virginia Infrastructure*. American Society of Civil Engineers, 2022, <https://infrastructurereportcard.org/wp-content/uploads/2016/10/Report-2022-VA-IRC-FINAL-WEB.pdf>

Department of Rail and Public Transportation (VDRPT) needs assessment shows a 5-year, \$283 million gap between projected available funds and what is needed to deliver transit services and modernize the existing system.²⁴ Transit funding has increased and budgets for several transit support programs are growing. In FY21 DRPT created the MERIT (Making Efficient and Responsible Investments in Transit) program, later expanded its scope, and then added the SMART SCALE program. The Transit Ridership Incentive Program (TRIP) is a new statewide grant program dedicated to improving transit’s regional connectivity in urban areas with a population greater than 100,000 people and reducing barriers to transit use by supporting low-income and zero fare programming.

FIGURE 1 – PUBLIC TRANSPORTATION IN VIRGINIA



Source: DRPT FY 2021 Report

Housing

Affordability Issues

There is an advancing crisis of housing affordability across the entire Commonwealth of Virginia. Based on recent data submitted to the Virginia General Assembly in the HB854 study,²⁵ more than 300,000 low-income Virginia renter households occupied a home that was not affordable to them in 2017, and the numbers have only increased over the last 5 years.

²⁴ Virginia Department of Rail and Public Transit, *Virginia Transit Equity and Modernization: Baseline Conditions and Needs Assessment Technical Memorandum*. 2022, <https://www.drpt.virginia.gov/media/ex4fd5sd/virginia-transit-equity-and-modernization-study-baseline-conditions-and-needs-assessment-technical-memo.pdf>

²⁵ Virginia Housing and Virginia Department of Housing and Community Development, *HB854 Statewide Housing Study*. Richmond, VA: HousingForward Virginia, January 2022, <https://dmz1.dhcd.virginia.gov/HB854/pdf/hb854-full-report-print.pdf>

Approximately 29% of all Virginians are cost-burdened.²⁶ Housing cost burden is rising for nearly all households with incomes below the statewide average income, but the problem disproportionately affects non-white households, female-headed households, and seniors.²⁷ While extremely low-income (ELI) and very low-income (VLI) households most urgently need affordable rental housing, an increasing number of low-income (LI) renter households are also struggling with rising rents.²⁸

For all renter households in Virginia making under 80% AMI, there are insufficient affordable and available homes. Virginia has a deficit of nearly 300,000 affordable and available units for households at or below 50 percent AMI, including a deficit of 148,720 for ELI households and 149,300 for VLI households.²⁹ According to the most recent 2022 “The Gap” report from the National Low-Income Housing Coalition, which measures the lack of affordable rental housing in each state, there are only 60 affordable and available homes per 100 VLI renters, and only 37 units per 100 ELI households.³⁰ Practically, this means that 86% of ELI renters were cost-burdened and 72% were severely cost-burdened. Among VLI renter households, 79% were cost-burdened and 31% were severely cost-burdened. Among LI renter households, 46% were cost-burdened and 5% were severely cost-burdened.³¹

Rent has become unaffordable for lower-income Virginians in nearly every part of the Commonwealth. Those earning a minimum wage in Virginia would have to work 90 hours per week on average in order to afford a two-bedroom apartment.³² At the same time, the number of apartments with gross rents below \$700 has decreased across Virginia in the last decade—especially in large markets—and apartments with higher gross rents have increased substantially.³³ In many parts of the Commonwealth, as many as 4 out of 5 renters cannot afford

²⁶ Joint Legislative Audit and Review Commission, *Affordable Housing in Virginia*. 559. Richmond, VA: 2021. <http://jlarc.virginia.gov/pdfs/reports/Rpt559-1.pdf>

²⁷ Joint Legislative Audit and Review Commission, *Affordable Housing in Virginia*. 559. Richmond, VA: 2021. <http://jlarc.virginia.gov/pdfs/reports/Rpt559-1.pdf>

²⁸ Virginia Housing and Virginia Department of Housing and Community Development, *HB854 Statewide Housing Study*. Richmond, VA: HousingForward Virginia, January 2022, <https://dmz1.dhcd.virginia.gov/HB854/pdf/hb854-full-report-print.pdf>; Item 114N of Chapter 2 of the 2022 Acts of Assembly, Special Session I requires the VHSF to provide long-term rental assistance for all three of these income populations.

²⁹ Virginia Housing and Virginia Department of Housing and Community Development, *HB854 Statewide Housing Study*. Richmond, VA: HousingForward Virginia, January 2022, <https://dmz1.dhcd.virginia.gov/HB854/pdf/hb854-full-report-print.pdf>

³⁰ “No State Has an Adequate Supply of Affordable Rental Housing for the Lowest Income Renters”. The Gap. National Low Income Housing Coalition, May 2022. <https://nlihc.org/gap>; While there are a sufficient number of affordable and available units for LI households in theory, it is clear from the numbers that many VLI and ELI renters are renting (at a cost-burdening rate) many of these units, meaning that LI and middle-income renters must rent even more expensive units. Therefore, the cost burden for LI renters cannot be significantly reduced unless there is enough housing for VLI and ELI renters as well.

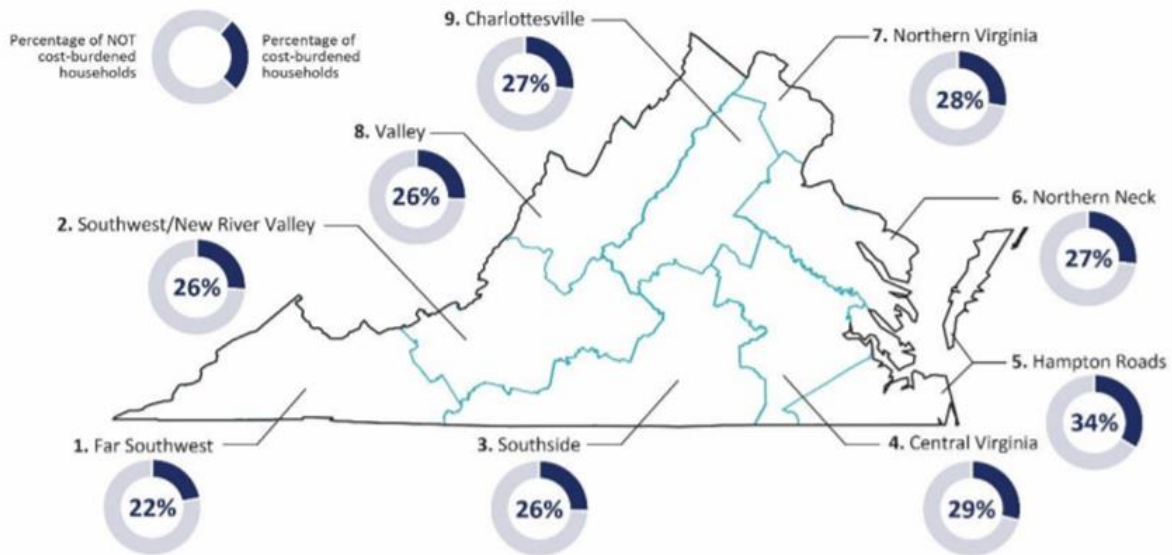
³¹ “No State Has an Adequate Supply of Affordable Rental Housing for the Lowest Income Renters”. The Gap. National Low Income Housing Coalition, May 2022. <https://nlihc.org/gap>

³² “Virginia”. Out of Reach. National Low Income Housing Coalition, July 2022. <https://nlihc.org/oor/state/va>

³³ Virginia Housing and Virginia Department of Housing and Community Development, *HB854 Statewide Housing Study*. Richmond, VA: HousingForward Virginia, January 2022, <https://dmz1.dhcd.virginia.gov/HB854/pdf/hb854-full-report-print.pdf>

a median-priced rental home.³⁴ In the Urban Crescent, renters tend to experience both higher prices and higher rates of cost-burden, with the Hampton Roads and Richmond regions experiencing the highest percentages of cost-burdened households.³⁵ Small markets have seen the most growth in higher-cost units; units with rents between \$1,250 and \$2,000 more than doubled from 2010 to 2019.³⁶ High-cost rental units have increased even in rural markets.

Households in Hampton Roads are more likely to be cost burdened than in other regions



SOURCE: JLARC analysis of American Community Survey, 5 year data, 2015–2019.

At the same time, rental vacancy rates are dropping throughout Virginia. Large markets are experiencing the most significant decline in vacant units, dropping from 7% to 5% in the past decade. By the second quarter of 2021, Virginia’s rental vacancy rate was 4.4%, the 14th lowest rate in the country.³⁷

The COVID-19 pandemic has also increased housing instability across multiple measures. In May 2020, the U.S. Census Bureau began the Household Pulse Survey (HPS) to measure the impacts of the COVID-19 pandemic. The HPS began asking residents about housing insecurity in late August, and between 20 and 30% of Virginians have consistently reported that

³⁴ Joint Legislative Audit and Review Commission, *Affordable Housing in Virginia*. 559. Richmond, VA: 2021. <http://jlarc.virginia.gov/pdfs/reports/Rpt559-1.pdf>

³⁵ Joint Legislative Audit and Review Commission, *Affordable Housing in Virginia*. 559. Richmond, VA: 2021. <http://jlarc.virginia.gov/pdfs/reports/Rpt559-1.pdf>

³⁶ Joint Legislative Audit and Review Commission, *Affordable Housing in Virginia*. 559. Richmond, VA: 2021. <http://jlarc.virginia.gov/pdfs/reports/Rpt559-1.pdf>

³⁷ Virginia Housing and Virginia Department of Housing and Community Development, *HB854 Statewide Housing Study*. Richmond, VA: HousingForward Virginia, January 2022, <https://dmz1.dhcd.virginia.gov/HB854/pdf/hb854-full-report-print.pdf>

it has been somewhat or very difficult to pay their regular household expenses.³⁸ Meanwhile, Virginia’s eviction rate, as calculated by The Eviction Lab at Princeton University, has remained above five percent since 2000, several points higher than the national average.³⁹ As of 2016 (the most recent statewide annual data currently available), the Commonwealth’s eviction rate was 5.1%.

Legal Issues

Homeownership is also deeply unequal across the state. About two-thirds of occupied housing units are owner-occupied, with about 20% of homeowners experiencing housing cost burden.⁴⁰ According to census data, homeownership by those who identified as White in Virginia is about 73%. But for those who identified as Black, it’s around 48%.⁴¹ Title and heirship issues are a significant problem in the SCRC region, particularly in some counties in Southside Virginia and the Northern Neck, though the full extent of the issue is unknown.⁴²

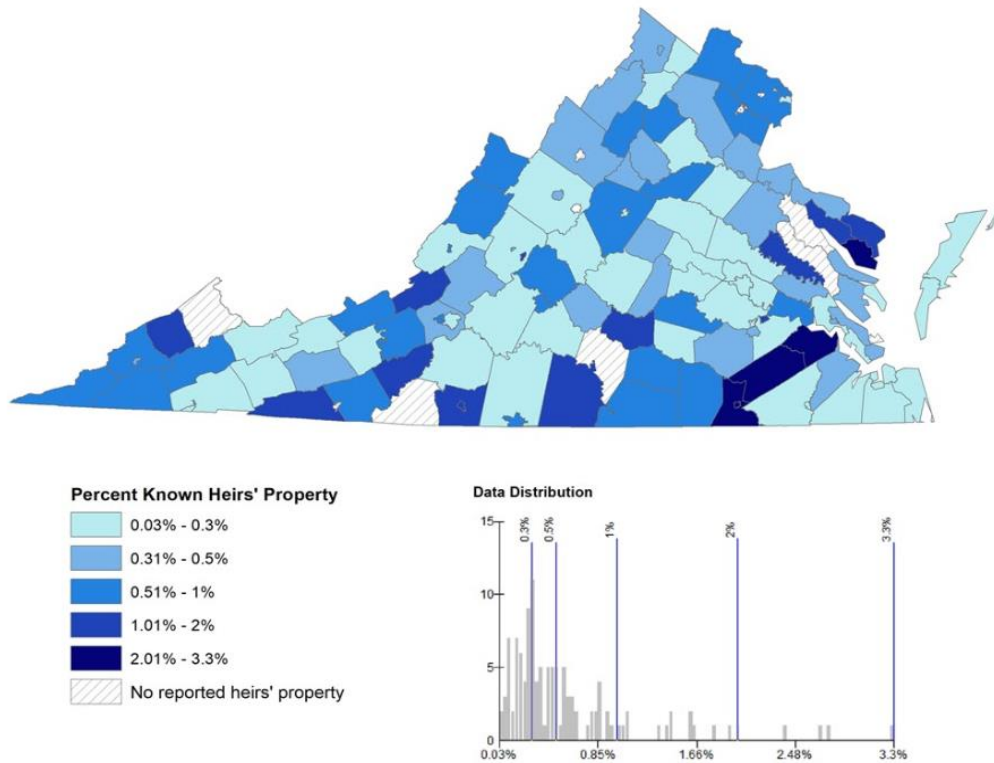
³⁸ Virginia Housing and Virginia Department of Housing and Community Development, *HB854 Statewide Housing Study*. Richmond, VA: HousingForward Virginia, January 2022, <https://dmz1.dhcd.virginia.gov/HB854/pdf/hb854-full-report-print.pdf>

³⁹ “The Eviction Lab”. The Eviction Lab at Princeton University. Princeton University, 2022. <https://evictionlab.org/>

⁴⁰ U.S. Census Bureau; American Community Survey, 2021 American Community Survey 5-Year Estimates, Table DP04; generated using; <<https://data.census.gov/>> (8 December 2022).

⁴¹ U.S. Census Bureau; American Community Survey, 2021 American Community Survey 5-Year Estimates, Table S2502; generated using; <<https://data.census.gov/>> (8 December 2022).

⁴² Carpenter, Surekha, and Sonya Ravindranath Waddell. “Whose Land Is It? Heirs' Property and Its Role in Generational Land Retention.” Federal Reserve Bank of Richmond, October 14, 2021. https://www.richmondfed.org/research/regional_economy/regional_matters/2021/rm_10_14_21_property.



SOURCE: CORELOGIC REAL ESTATE DATA: TAX DATASET, 2012-2016.

Note: This map counts a property as "heirs'" if it was flagged as heirs' property by CoreLogic from the years 2012-2016, but each unique property was counted only once.

Effective July 1, 2020, new laws enacted by the Virginia General Assembly changed the requirements for handling heirs' property. The court is now required to order an appraisal of the property and determine the property's value. If the court determines that physical division of the property is impractical, they must now consider the duration of a party's ownership, a party's sentimental attachment to the property, the use a party is currently making of the property, and the degree to which the parties have contributed their share of the applicable real estate taxes, insurance, and maintenance costs.⁴³ While these new rules help to protect co-owners, they can also raise the cost and inconvenience of dealing with heirs' property, heightening the need for legal support.

Existing Resources

Virginia receives federal funds for affordable housing through HOME Investment Partnerships, the National Housing Trust Fund, the Low-Income Housing Tax Credit (LIHTC), Housing Choice Vouchers (HCVs), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Solutions Grants (ESG). Additionally, Virginia has its own state-funded Housing Trust Fund, provides assistance with evictions through the Virginia Eviction Prevention

⁴³ Reid, Trevor B. "New Laws Change the Landscape for 'Heirs Property' in Virginia." Parker, Pollard, Wilton & Peaden P.C., April 25, 2020. <https://www.parkerpollard.com/new-laws-change-the-landscape-for-heirs-property-in-virginia/>.

Program, contributes funds to help with homelessness through the Virginia Homeless Solutions Program, and makes energy efficiency upgrades to residential buildings through the Housing Innovations in Energy Efficiency (HIEE) program. Funding for homeowner assistance and repairs is provided through the Emergency Home and Accessibility Repair Program (EHARP), Indoor Plumbing Rehabilitation (IPR), Weatherization Assistance Program (WAP), Down-Payment Assistance (DPA), and Virginia Individual Development Accounts (VIDA) through the Department of Housing and Community Development, while Virginia Housing offers loans and grants to first time homeowners and provides homebuyer education. Virginia Housing is also the state financing agency for home loan development projects that expand affordable and workforce housing as well as programs such as REACH *Virginia* (Resources Enabling Affordable Community Housing in Virginia), which supports strategic housing initiatives. In the last five years, Virginia Housing has invested or granted \$144.5 million to advance local programs and initiatives through REACH *Virginia* investments⁴⁴.

Workforce

As of September 2020, Virginia had 21 different workforce development programs administered by ten different state agencies, all coordinated by the Virginia Board of Workforce Development.⁴⁵ In 2021, more than \$408 million was allocated to workforce development efforts, with about two thirds of that funding being federal.⁴⁶ Implementation occurs at the

⁴⁴ Virginia Housing. *Economic and Programmatic Impacts of Virginia Housing*. March 2020. <https://mc-0e9acafd-48f4-4c49-b478-6257-cdn-endpoint.azureedge.net/-/media/docs/about/economic-impact/vh-economic-impact-study.pdf?rev=382df86e4e3b4cce913c6210d9fb7f88&hash=D6F1233F7CE5A1CC6F119013C30A0534>

⁴⁵ Virginia Career Works, *Virginia Combined State Plan 2022*. Virginia Board of Workforce Development, 2022. <https://virginiacareerworks.com/wp-content/uploads/Approved-Virginia-CSP-2022-Modification-8-2022.pdf>

⁴⁶ Virginia Career Works, *Virginia Board of Workforce Development 2020-2021 Annual Report*. Virginia Board of Workforce Development, 2022.

regional level, with 14 workforce regions across the commonwealth.⁴⁷

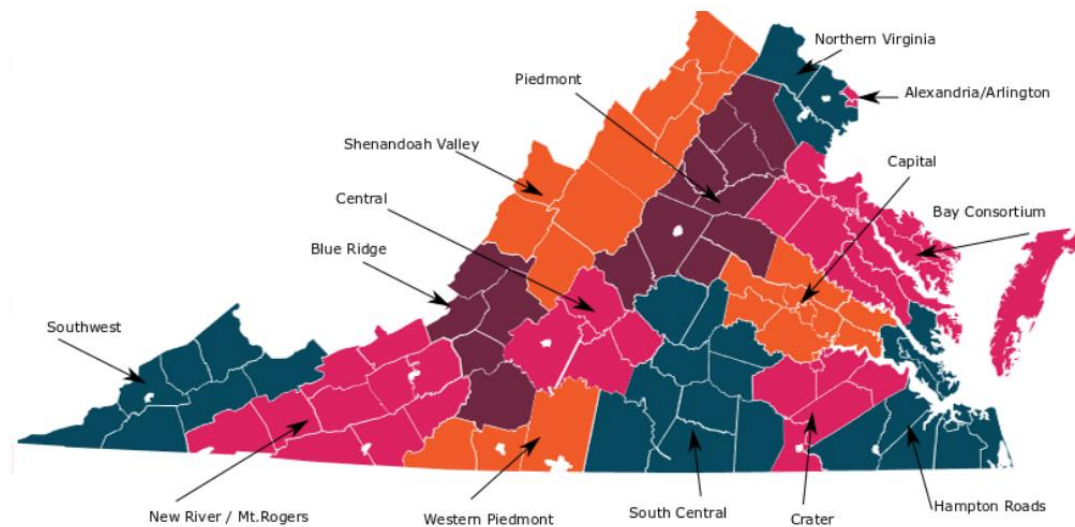


Figure 2 Virginia Workforce Regions

However, reports suggest that the workforce system is not working as well as it could, where coordination between the various programs and agencies could be significantly improved. Awareness of the programs among residents remains low, with only about five to ten percent of Virginia citizens aware of their existence, so outreach campaigns to increase awareness are needed.⁴⁸ Additionally, employers have difficulty navigating the workforce development system in order to fill open positions while finding applicants who possess relevant work experience and job-specific skills as well as the basic skills needed to succeed in the workplace can be difficult for employers. Courses are not consistently well-aligned with the market needs.⁴⁹ Particularly, health sciences jobs have large numbers of openings and an insufficient pool of qualified applicants. High-demand occupations include those in business, finance, education, STEM, construction, sales, healthcare, office administrative support, production and transportation, management, and arts and entertainment.⁵⁰ Programs that promote work experience, like

⁴⁷ Joint Legislative Audit and Review Commission, *Virginia's Workforce Development Programs*. House Document 8 (2015), December 2014. <http://jlarc.virginia.gov/pdfs/reports/Rpt463.pdf>

⁴⁸ Virginia Career Works, *Evaluation of the Commonwealth of Virginia Federally Funded Workforce System*. Virginia Board of Workforce Development, December 2021. <https://virginiacareerworks.com/wp-content/uploads/Workforce-System-Evaluation-FINAL-Report.pdf>

⁴⁹ Joint Legislative Audit and Review Commission, *Virginia's Workforce Development Programs*. House Document 8 (2015), December 2014. <http://jlarc.virginia.gov/pdfs/reports/Rpt463.pdf>

⁵⁰ Virginia Career Works and Virginia Office of Education Economics, *Virginia's 2021-2022 High Demand Occupations List & Underlying Methodology*. November 2021, <https://virginiacareerworks.com/wp-content/uploads/Virginias-2021-2022-High-Demand-Occupations-List-and-Methodology-Report-FINAL-FULL-REPORT.pdf>

apprenticeship programs, are currently underutilized and limited in comparison with other states.⁵¹

Governor Youngkin proposes to create a centralized workforce development agency to align all of the programs and funding for workforce development. Getting individuals back to work is a major priority for the Governor to continue to grow jobs and businesses in the Commonwealth.

In addition to promoting and improving workforce training programs, Virginia is in need of more wrap-around services. In particular, potential employees cite transportation, child care, and soft skills as being major barriers to employment.⁵² According to a report from the Department of Social Services, existing childcare providers in Virginia have the capacity to meet less than 90% of overall childcare needs.⁵³ The Western and Piedmont areas of the state are particularly underserved and have large proportions of children living in poverty. The supply of childcare facilities is insufficient statewide for infants, toddlers, and children with disabilities. Care during nontraditional working hours is also severely lacking. According to the most recent census data, around 120,000 Virginia workers did not have a vehicle available.⁵⁴ Only small percentages of those workers were able to use public transit, requiring them to walk, bike, or carpool to work.

Entrepreneurship

Entrepreneurial activity varies significantly across the SCRC region with the Richmond, Hampton Roads, and Northern Virginia areas leading the way. The lack of risk capital is a major barrier, and entrepreneurs in these regions face high failure rates in the first few years of operation, as well as dips in survival around the seven or eight year mark.⁵⁵ Research commercialization efforts are hindered by insufficient levels of proof-of-concept funding and connection to mentorship networks, including serial entrepreneurs, SMEs, and others with significant business acumen. Young firm growth is an important driver of economic growth in Northern Virginia, but uninspired venture capital activity points to disproportionate

⁵¹ Joint Legislative Audit and Review Commission, *Virginia's Workforce Development Programs*. House Document 8 (2015), December 2014. <http://jlarc.virginia.gov/pdfs/reports/Rpt463.pdf>

⁵² Virginia Career Works, *Evaluation of the Commonwealth of Virginia Federally Funded Workforce System*. Virginia Board of Workforce Development, December 2021. <https://virginiacareerworks.com/wp-content/uploads/Workforce-System-Evaluation-FINAL-Report.pdf>

⁵³ Child Care Underserved Areas Workgroup, *Final Report*. Virginia Department of Social Services, April 2017. <https://doe.virginia.gov/cc/downloads/Final%20CC%20Underserved%20Areas%20Workgroup%20Report.pdf>

⁵⁴ U.S. Census Bureau; American Community Survey, 2021 American Community Survey 5-Year Estimates, Table B08014; generated using; <<https://data.census.gov/>> (8 December 2022).

⁵⁵ "Go Virginia Regional Entrepreneurial Assessments." Virginia Department of Housing and Community Development (DHCD), 2018. <https://www.dhcd.virginia.gov/go-virginia-regional-materials>.

concentration of startups in government contracting space. The universities in the Richmond area (Virginia Commonwealth University, Virginia Union University, Virginia State University, University of Richmond) and Hampton Roads Region (Hampton University, Regent University, Virginia Wesleyan College, Christopher Newport University, College of William and Mary, Norfolk State, and Old Dominion) can work to enhance their research commercialization by building off their existing strengths in the life sciences to expand into other fields.⁵⁶ University technology transfer is underperforming in key metrics of disclosures and startups, normalized by size of research base. In Northern Virginia, talent dynamics are not favorable. The region lags large tech hub benchmarks in growth of working age population, highly educated working age population and net in-migration of highly educated. Most alarming is that overall population growth of young working age population, 25-34 years old, declined by 4% in Northern Virginia while growing 7% nationally and 11% in large tech hub benchmarks, suggesting the region is not succeeding in attracting young talent.⁵⁷ Northern Virginia Universities (George Washington University, Marymount University, Shenandoah University, and George Mason University) could also work to strengthen their commercialization of university research; federal lab research in the region could also be commercialized. These urban regions need additional assistance in improving their entrepreneurial ecosystems in the areas of ideation programming, mentorship and serial entrepreneur networks, and access to capital. Northern Virginia could additionally pursue “grand challenges” in artificial intelligence or other technologies with strong commercial sector interest to raise the region’s profile as a technology leader to attract top talent.

In the Shenandoah Valley, the Regional Accelerator and Mentorship Program (RAMP) program is a strategic partnership between the City of Roanoke, Virginia Western Community College, and the Roanoke-Blacksburg Technology Council (RBTC). Now in its third year, RAMP assists entrepreneurs in scaling up their companies by providing them free office space, a 12-week intensive program where they are provided access to experienced mentors to help them work through business challenges, as well as \$20,000 to assist with business needs. The Innovation Mill, a program designed to increase business readiness, innovation, and success for new/early-stage high growth potential companies, the HIVE, a business incubator, and VERGE, an alliance supporting life sciences and technology to strengthen the region’s economy, are recent innovative initiatives. In the Southside of Virginia, the Southern Virginia Innovation Hub established the RISE Collaborative, which is a partnership with Longwood University that offers training, networks, and capital access in a business supportive ecosystem. In Charlottesville, two entrepreneurial initiatives are the Community Investment Collaborative, which provide entrepreneur workshops, mentoring, and lending to small businesses, and Advancing

⁵⁶ “Go Virginia Regional Entrepreneurial Assessments.” Virginia Department of Housing and Community Development (DHCD), 2018. <https://www.dhcd.virginia.gov/go-virginia-regional-materials>.

⁵⁷ “Go Virginia Regional Entrepreneurial Assessments.” Virginia Department of Housing and Community Development (DHCD), 2018. <https://www.dhcd.virginia.gov/go-virginia-regional-materials>.

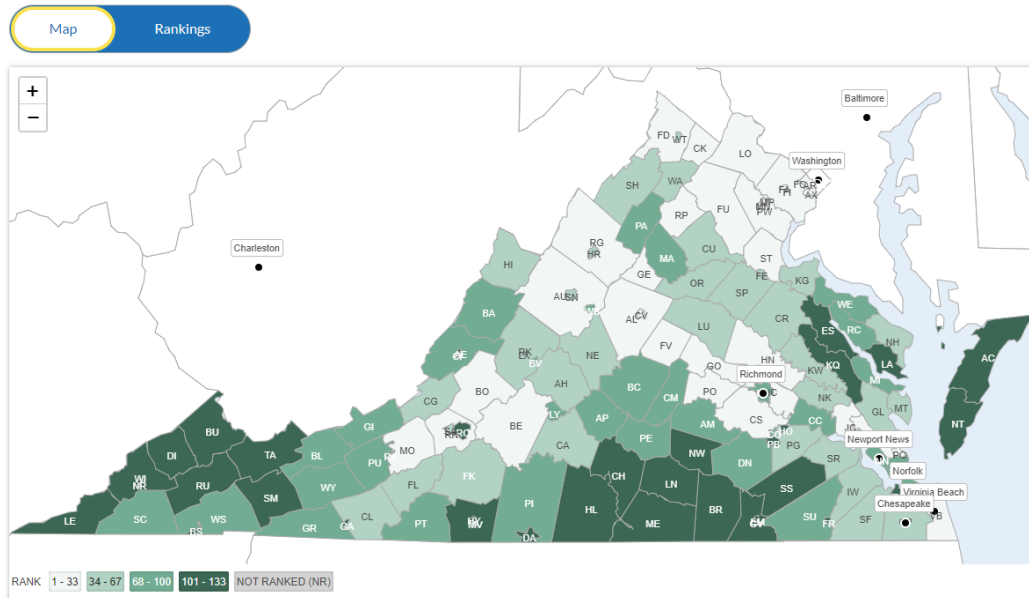
Charlottesville Entrepreneurs (ACE) Program, which offers business assistance to new and existing businesses in the form of grants leading to increased business revenue.

Health and Public Services

According to the United Health Foundation’s Annual State’s Ranking, Virginia is the 14th healthiest state in the nation.⁵⁸ Despite its many successes, Virginia has many challenges as well, and health disparities are wide. Virginia does better than the national average on many health outcome measurements including the number of premature deaths, life expectancy, and the number of poor mental and physical health days.⁵⁹ Virginia is also ahead of the nation as a whole when it comes to health behaviors like smoking, excessive drinking, and teen births. The map below shows health outcomes in Virginia.⁶⁰ The independent cities of Petersburg, Hopewell, and Emporia have the worst health outcomes in the state, but much of the rural parts of Southside, the Northern Neck, and the Eastern Shore also have poorer health outcomes than the rest of the state.

Health Outcomes in Virginia

Health Outcomes represent how healthy a county is right now. They reflect the physical and mental well-being of residents within a community through measures representing not only the length of life but quality of life as well.



⁵⁸ America's Health Rankings, 2022. <https://www.americashealthrankings.org/>.

⁵⁹ University of Wisconsin Population Health Institute. County Health Rankings & Roadmaps 2022. www.countyhealthrankings.org.

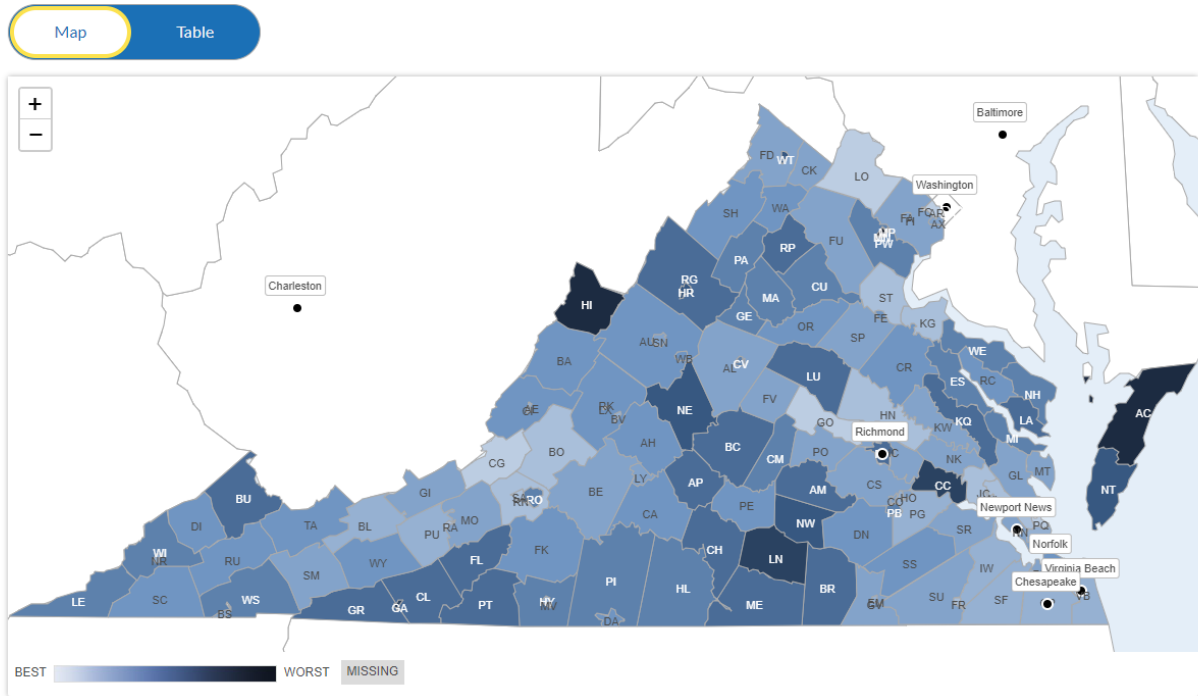
⁶⁰ University of Wisconsin Population Health Institute. County Health Rankings & Roadmaps 2022. www.countyhealthrankings.org.

While the number of uninsured individuals have declined significantly, 9% of Virginians remain uninsured, which is a serious problem for access to care. Within the SCRC region, the cities of Manassas and Manassas Park and Accomack County have the highest rates of uninsured.

Uninsured in Virginia

In Virginia, 9% of people under the age of 65 did not have health insurance. This ranged from 4% to 16% of people across counties in the state.

The 2022 County Health Rankings used data from 2019 for this measure.

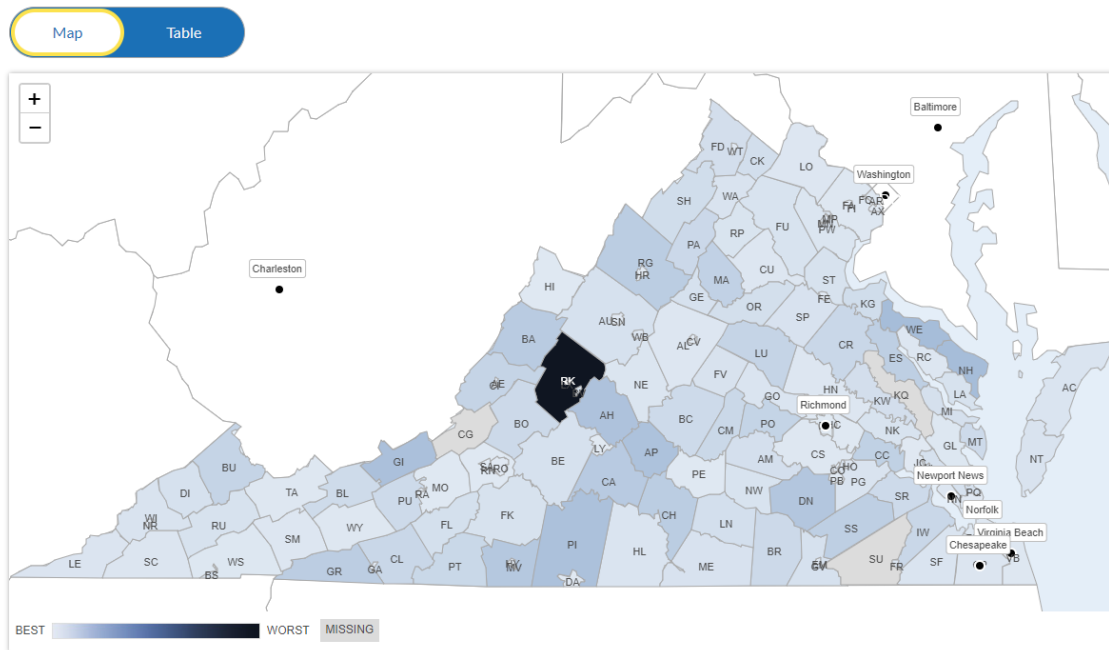


Additionally, Virginia does not have enough providers for the population; this is particularly true for mental health providers. The rate of frequent mental distress has increased from 10% to 14.7% of adults between 2014 and 2021⁶¹, and there is only one mental health provider per 480 people, compared to a national average of 350.⁶² Rockbridge County, which is in the ARC region and not the SCRC region, particularly stands out on the map. However, the counties with the next highest need for mental health providers are Westmoreland and Northumberland Counties, SCRC counties. Between those two counties, there are only 5 mental health providers, a ratio of one mental health provider for more than 6,000 residents.

Mental Health Providers in Virginia

There was one mental health provider per 480 people registered in Virginia. This ranged from one provider per 22,760 people to one provider per 60 people across counties in the state.

The 2022 County Health Rankings used data from 2021 for this measure.



⁶¹ “United Health Foundation America’s Health Rankings Virginia State Summary.” America’s Health Rankings, 2022. <http://assets.americashealthrankings.org/app/uploads/virginia-ahr22.pdf>.

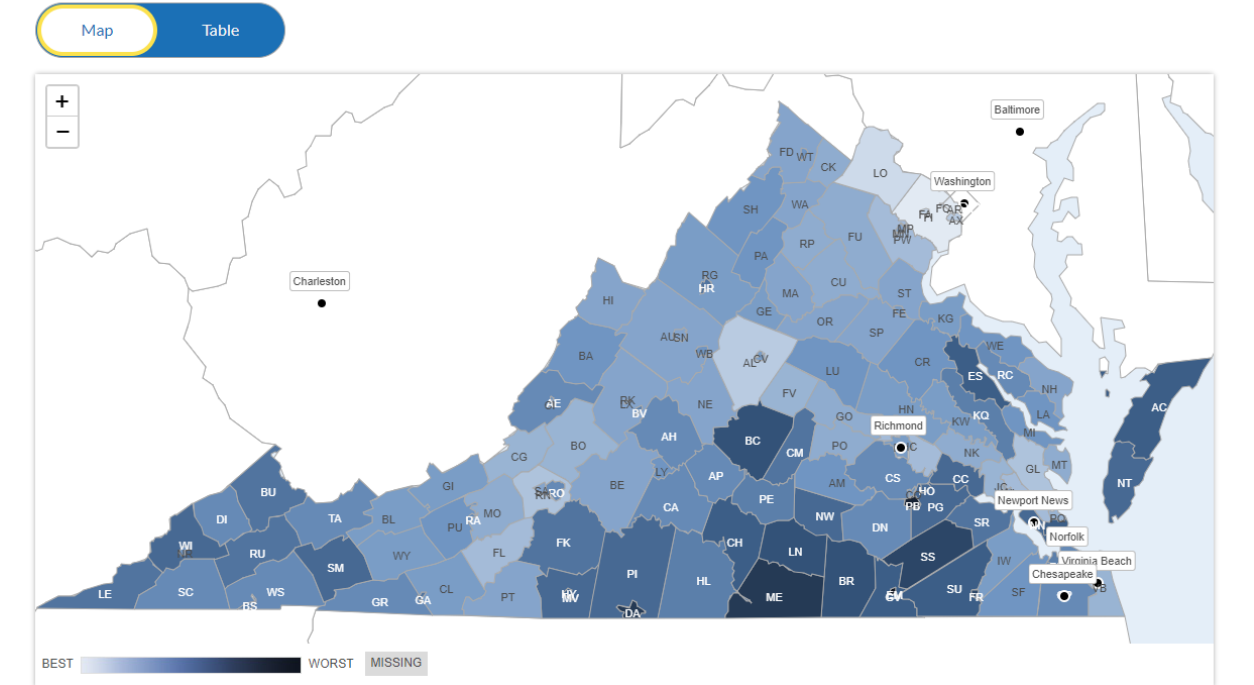
⁶² University of Wisconsin Population Health Institute. County Health Rankings & Roadmaps 2022. www.countyhealthrankings.org.

Virginia also has notably high rates of obesity and diabetes. Obesity has risen from 30.3% of the population to 34.2% of the population between 2014 and 2021 and is now higher than the national average.⁶³ Cities with the highest adult obesity rates and the highest diabetes prevalence include Emporia, Petersburg, and Danville.⁶⁴

Adult Obesity in Virginia

In Virginia, 32% of adults had a BMI of 30 or greater. This ranged from 24% to 46% of adults across counties in the state.

The 2022 County Health Rankings used data from 2019 for this measure.



⁶³ “United Health Foundation America’s Health Rankings Virginia State Summary.” America's Health Rankings, 2022. <http://assets.americashealthrankings.org/app/uploads/virginia-ahr22.pdf>.

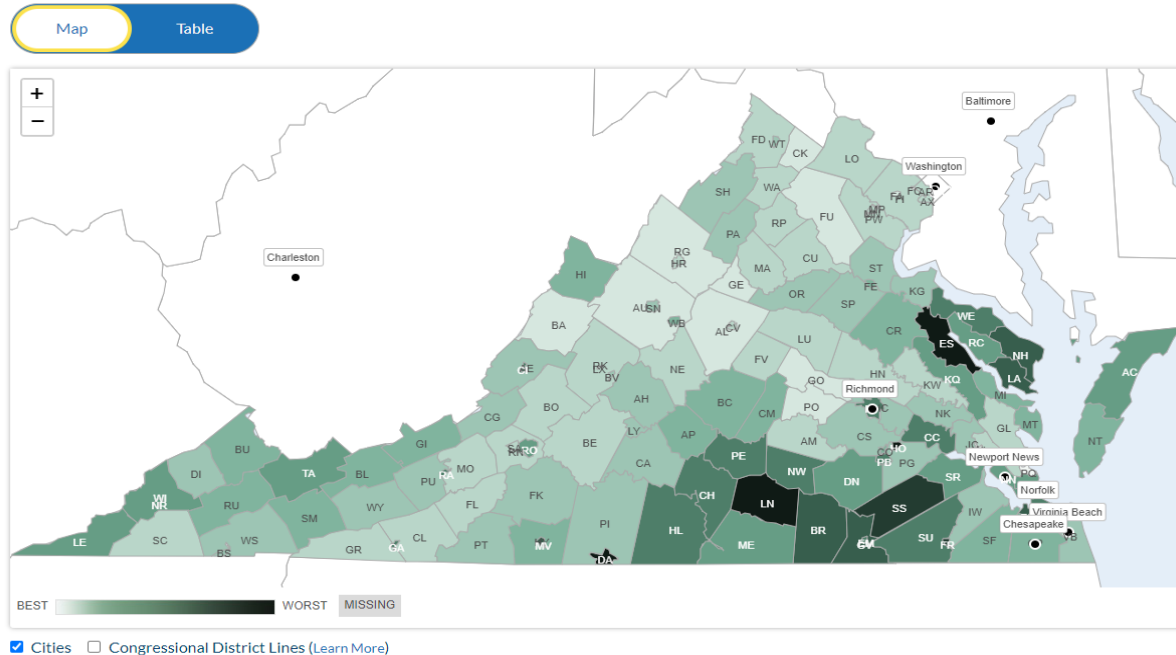
⁶⁴ University of Wisconsin Population Health Institute. County Health Rankings & Roadmaps 2022. www.countyhealthrankings.org.

While Virginia’s low birthweight rates are in line with national averages, the racial disparities in low birthweight are extreme. Black children are twice as likely as white children to be born with low birth-weights,⁶⁵ and the geographic concentration of low birth weights lies within the SCRC region, particularly in Southside and the Northern Neck area.⁶⁶

Low Birthweight in Virginia

In Virginia, 8% of babies had low birth weights (under 5 pounds, 8 ounces). This ranged from 5% to 14% of all live births across counties in the state.

The 2022 County Health Rankings used data from 2014-2020 for this measure.



Several Virginia agencies offer a wide array of programs to address these problems. The Virginia Department of Health offers diabetes and prediabetes education programs, the federal Women, Infants, and Children (WIC) program, and the Office of Health Equity which works to address disparities. The Department of Behavioral Health and Developmental Services offers mental health support through their Community Service Boards and other state programming. However, there is still significant need, especially for services targeted to the parts of the commonwealth that have the worst health outcomes.

⁶⁵ “United Health Foundation America’s Health Rankings Virginia State Summary.” America’s Health Rankings, 2022. <http://assets.americashealthrankings.org/app/uploads/virginia-ahr22.pdf>.

⁶⁶ University of Wisconsin Population Health Institute. County Health Rankings & Roadmaps 2022. www.countyhealthrankings.org.

Environment

Virginia is home to a diverse topography from the Atlantic Ocean and Chesapeake Bay to the Appalachian Mountains and Cumberland Gap National Park. Virginia is home to incredible natural assets like Natural Bridge, as well as man-made marvels such as the Blue Ridge Parkway. Visitors to Virginia's spent \$25 billion in 2021, with \$3.3 billion being spent on recreation and entertainment⁶⁷. Almost all of Virginia's 95 counties and 38 cities contain park facilities, and visitors to these parks generate significant economic benefits to the Commonwealth's economy.⁶⁸ According to the Virginia Department of Conservation and Recreation (DCR), Virginia state parks saw 7.9 million visitors in 2021, a 15% increase over 2019 and a 1.5% increase over 2020.⁶⁹ State park development and maintenance is expensive with deferred maintenance at Virginia state parks estimated at \$111 million currently.⁷⁰ DCR and localities are also challenged to hire sufficient staff to operate equipment and manage resources which is an economic opportunity where SCRC capacity building funding can assist.



In 2020, Virginia passed the Virginia Environmental Justice Act, which makes it the policy of the commonwealth to promote environmental justice, defined as “the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith,

⁶⁷ Virginia Tourism Corporation, *Economic Impact of Visitors in Virginia 2021*. Tourism Economics, 2022, <https://www.vatc.org/wp-content/uploads/2022/09/2021-Economic-Impact-of-Visitors-in-Virginia.pdf>

⁶⁸ Virginia Section of the American Society of Civil Engineers, *Report Card for Virginia Infrastructure*. American Society of Civil Engineers, 2022, <https://infrastructurereportcard.org/wp-content/uploads/2016/10/Report-2022-VA-IRC-FINAL-WEB.pdf>

⁶⁹ Virginia Section of the American Society of Civil Engineers, *Report Card for Virginia Infrastructure*. American Society of Civil Engineers, 2022, <https://infrastructurereportcard.org/wp-content/uploads/2016/10/Report-2022-VA-IRC-FINAL-WEB.pdf>

⁷⁰ Virginia Section of the American Society of Civil Engineers, *Report Card for Virginia Infrastructure*. American Society of Civil Engineers, 2022, <https://infrastructurereportcard.org/wp-content/uploads/2016/10/Report-2022-VA-IRC-FINAL-WEB.pdf>

or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy.”⁷¹ Virginia’s targeted communities, areas that have been intentionally and systematically divested of wealth and resources, still face a disproportionate pollution burden. These areas are nearly five times more likely to be exposed to air pollution from traffic and are 3.6 times more likely to live near a Superfund site.⁷²

The SCRC region is home to many low-income communities and communities of color who qualify as environmental justice communities according to the Environmental Protection Agency (EPA).⁷³ Much of Northern Virginia is considered to be a nonattainment zone for ozone, meaning that the levels of ozone were higher than recommended by the EPA and which can be a risk to health, especially for those with preexisting conditions like asthma.⁷⁴ Virginia has 117,215 acres of reservoirs or lakes, 100,959 miles of rivers and streams, and 2,848 square miles of estuarine areas. Virginia’s coastal waters are home to numerous fisheries that support local and regional economies including the Oyster, which has seen a huge resurgence in the last ten years in Eastern Virginia. Much work has been undertaken, like the Virginia Oyster Trail, to highlight these resources and to drive additional investments and job creation into local communities.

Additionally, Virginia invests in the redevelopment of former heavy industrial sites through DEQ’s brownfield remediation program. Virginia has 35 superfund sites across the Commonwealth and 222 active brownfield sites in need of remediation, to which these limited funds have helped open up acres for redevelopment and local business recruitment or retention.⁷⁵ The Industrial Revitalization Fund also assists with returning former industrial and commercial buildings to viable modern assets for local communities, providing new residential and commercial space.

⁷¹ Va. Code Ann. §2.2-234. (2020)

⁷² “Virginia.” Mapping for Environmental Justice. University of California Berkeley , 2021. <https://mappingforej.berkeley.edu/virginia/>.

⁷³ “Environmental Justice Areas Map.” Environmental Justice. Virginia Department of Environmental Quality, 2022. <https://www.deq.virginia.gov/home/showimage?id=1216&t=637988485693407020>.

⁷⁴ “Green Book | US EPA.” EPA. Environmental Protection Agency, December 5, 2022. https://www3.epa.gov/airquality/greenbook/anayo_va.html.

⁷⁵ “Envirofacts Home.” EPA. Environmental Protection Agency. Accessed December 9, 2022. <https://enviro.epa.gov/>.

Virginia’s Targeted Investment Priorities

Based on findings from the needs assessment and results from a comprehensive public input process, Virginia has identified five key areas in which to prioritize SCRC funding allocations. The priority areas synthesize the highest needs across the Commonwealth, the SCRC strategic goals, and Governor Youngkin’s priorities. The five investment priorities are:

- Support efforts to reinvigorate the small business and entrepreneurial ecosystem, create jobs, train workers, and attract and retain talent in Virginia.
- Support efforts to address unmet housing needs by ensuring quality affordable housing is available in support of economic development efforts.
- Support the deployment of broadband infrastructure to enable universal access in unserved areas of the region.
- Support and expand access to quality and affordable public water and wastewater systems
- Support and expand access to attainable public services and health services

Alignment of Virginia Objectives and Goals with SCRC Strategic Goals

Virginia’s goals and objectives were developed through a public input process and aligned with SCRC’s strategic goals. Based on feedback collected through the input process, an overwhelming amount of communities said that increased access to affordable housing is their top priority. Further, survey respondents attribute other socioeconomic factors to the lack of access to affordable housing: difficulty attracting and retaining workforce, oversaturated housing market, lack in high-paying jobs, need for improved childcare, and weakened critical infrastructure. DHCD conducted a survey in order to receive broader input from stakeholders on what SCRC priorities should be. DHCD received 43 responses from across the Commonwealth: 20 results were from individuals associated with local governments, 13 from individuals with Planning District Commissions (PDCs), four from non-profit organizations, two from the education field, and five others. Five respondents were from urban areas, three considered themselves to represent suburban areas, thirty were from rural areas, and the remaining responded as “other”.

Respondents were asked to choose three priorities, and the results are below.

Activity	Percent Including in Top Three Priorities
Public Infrastructure	44%
Transportation	44%

Housing	79%
Business Development	30%
Workforce Development	44%
Natural Resources	14%
Essential Human Services	33%
Public Safety	16%
Recreational Opportunities	14%

When asked to rank their priorities, 22 respondents ranked affordable housing as their top priority, followed by investment in critical infrastructure (12 respondents) and workforce development (5 respondents). When asked where there are gaps in funding, most respondents said housing (30 respondents), infrastructure (25 respondents), and transportation (19 respondents),

SCRC Goal #1 Invest in critical infrastructure

SCRC Virginia Goal: Virginia is committed to developing, expanding, and upgrading critical infrastructure to promote economic growth and improve quality of life. Virginia aims to ensure that energy efficient utilities and infrastructure remain affordable and attainable for all Virginians. Infrastructure needs include the deployment of broadband infrastructure to unserved communities, public water and wastewater systems, supporting regional multimodal transportation infrastructure, and infrastructure for site readiness.

SCRC Goal #2 Improve health and public service access and outcomes

SCRC Virginia Goal: Virginia will expand resources and access to high quality healthcare and public services that support physical and mental health. Mental health is a major priority under Governor Youngkin’s administration; the “Right Help, Right Now” plan to address Virginia’s behavioral health system will combine resources to address our behavioral health challenges, encompassing crisis care, law enforcement burden, substance use disorder support, behavioral health workforce and service delivery innovation. Expanding access to affordable childcare is also an important investment for many regions across the Commonwealth.

SCRC Goal #3 Strengthen workforce capacity

SCRC Virginia Goal: Expand and strengthen community systems and opportunities that support local and regional workforce systems that support different industries and sectors in the Commonwealth. Such activities include workforce readiness programs, training programs, the establishment of partnerships and innovative arrangements of workforce boards and economic

development agencies, and supporting regional healthcare and wellness programs that attract and retain local health care workers. The Virginia Innovation Partnership Authority was established in the Governor’s 2023 budget to provide a collaborative, consistent, and consolidated approach that will assist the Commonwealth in identifying its entrepreneurial strengths, including the identification of talents and resources that make the Commonwealth a unique place to grow and attract technology-based businesses.

SCRC Goal #4 Foster entrepreneurial and business development activities

SCRC Virginia Goal: Virginia will continue to support business development, provide resources to entrepreneurs, and create small business opportunities. Governor Youngkin is committed to creating 10,000 start-up companies and 400,000 new jobs during his administration.

SCRC Goal #5 Expand affordable housing stock and access

SCRC Virginia Goal: Virginia will promote increasing the supply of attainable, affordable, and accessible housing as it supports economic development efforts across the Commonwealth. Expanding and supporting affordable housing opportunities in Virginia include homeownership and homebuyer assistance programs, legal assistance for title and heirship issues, and supporting state-wide efforts that expand the affordable housing stock.

SCRC Goal #6 Promote environmental conservation, preservation, and access

SCRC Virginia Goal: Virginia will preserve and expand access to natural, heritage, and environmental assets. Preserving and expanding access to environmental resources includes supporting and investing in activities that promote clean water, air, and soil, energy efficient systems, and more resilient environments.

Virginia’s Strategies for Distressed Localities

Infrastructure

One priority area for all SCRC regions in Virginia is to expand infrastructure such as water, sewer, broadband, and others. Many localities are experiencing overburdened public utilities due to aging infrastructure and increased growth throughout the Commonwealth. New and expanded investments in infrastructure will also support economic growth, workforce development, and housing development.

Affordable Housing

Virginia is committed to providing high-quality, affordable housing, which is a barrier to many low and middle-income families. Almost all regions in Virginia are experiencing a shortage of affordable housing options of all housing types. Governor Youngkin plans to align housing development with economic growth to address workforce housing needs across the Commonwealth.

Workforce Capacity

Based on feedback from Virginia residents, stakeholders, and community partners, one key priority area is expanding workforce development and strengthening community systems that increase workforce participation and eliminating barriers to employment such as childcare, housing, workforce training, and more. Virginia is committed to providing resources to strengthen these systems and to consolidate workforce programs and resources in a streamlined way.

One specific area that is an opportunity to strengthen distressed communities is providing workforce and job trainings in technical fields such as public utilities and broadband installation. In 2022, nearly \$6 million was invested in economic development projects that focused on innovative workforce development initiatives designed to expand talent pipelines in technology sectors, as well as foster entrepreneurial startups, business development and venture investment. Virginia is prioritizing efforts to build, attract, and retain innovation and high-technology jobs and businesses, provide additional private and public funding to support and enhance innovation-led entrepreneurship ecosystems and coordination of existing activities and programs throughout the Commonwealth to create new job opportunities and diversify the economy, and support the statewide innovation economy and support and coordinate regional marketing efforts to align local and statewide objectives.

Virginia's SCRC Operating Procedures

Grant funding is dependent upon Virginia's annual allocation from SCRC as approved by the annual budget legislation. In SCRC Virginia, the level of SCRC funds can be used to cover 80% of total project costs in distressed counties and 50% in transitional counties and in isolated areas of distress. The maximum grant awards are as follows:

Infrastructure Categories

(Non-Construction or Gap Construction) Maximum: \$350,000

Non-Infrastructure Categories

(Non-Construction or Gap Construction) Maximum: \$200,000

Multi-State/Multi-County Awards

(Non-Construction or Gap Construction) Infrastructure Maximum: \$500,000
Non-Infrastructure Maximum: \$350,000

Eligible Applicants:

- Units of local government
- Local Development Districts
- Community Action Agencies

- Non-profit organizations

Administrative Allowance

- Up to 10% of SCRC funds can be used to cover administrative costs

General Information

- DHCD staff is available to provide pre-project development technical assistance
- All projects must meet a SCRC Strategic Goal and Virginia Goal and Strategy from the State Economic and Infrastructure Development Plan
- Applicants must consult with the Local Development District prior to submission to DHCD
- Match funds cannot be expended prior to final approval by the SCRC Federal Co-Chair
- All match funding should be committed prior to SCRC application submission
- Individuals and for-profit enterprises are not eligible for direct grant assistance but may benefit from and be served by the investment of SCRC funds

Application Evaluation Criteria

In order to maintain an equitable allocation of resources and funding to SCRC localities, the following factors are considered when reviewing applications submitted for funding:

1. Applicant and activity eligibility;
2. Demonstrated need for the project;
3. Ability to meet the challenges and opportunities identified in the proposed service area;
4. Ability to fill a “gap” in currently offered services available locally or regionally;
5. Possession of clearly described performance targets (product-focused outputs) to be achieved throughout the project and the overall outcomes;
6. Capacity of applicant organization to implement the project and readiness of project to begin;
7. Leveraging of non-SCRC resources;
8. Establishment or significant enhancement of collaborative relationships among local and regional providers;
9. Sustainability or the ability to maintain the proposed effort into the future.

Appendix A - SCRC Region Localities

Distressed Localities

Brunswick
Buckingham
Charlotte
Danville City
Greenville (+ Emporia city)
Mecklenburg
Pittsylvania
Prince Edward

Transitional Localities

Accomack
Amelia
Amherst
Appomattox
Augusta (+Staunton city + Waynesboro city)
Campbell (+Lynchburg city)
Caroline
Charles City
Colonial Heights
Cumberland
Dinwiddie (+Colonial Heights + Petersburg city)
Essex
Franklin
Halifax
Hampton City
King and Queen
Lancaster
Louisa
Lunenburg
Lynchburg City
Nelson
Newport News City
Norfolk City
Northampton
Northumberland
Nottoway
Page
Petersburg City
Portsmouth City
Prince George (+ Hopewell city)
Richmond City
Richmond
Roanoke City
Rockingham (+Harrisonburg city)

Shenandoah
Southampton (+Franklin city)
Staunton City
Surry
Sussex
Warren
Waynesboro City
Westmoreland

Attainment Localities

Albemarle (+ Charlottesville city)
Alexandria City
Arlington
Bedford
Chesapeake City
Chesterfield
Clarke
Culpeper
Fairfax (+ Fairfax city + Falls Church City)
Fauquier
Fluvanna
Frederick (+ Winchester City)
Gloucester
Goochland
Greene
Hanover
Henrico
Isle of Wight
James City (+Williamsburg City)
King George
King William
Loudon
Madison
Mathews
Middlesex
New Kent
Powhatan
Prince William (+ Manassas City + Manassas Park City)
Rappahannock
Roanoke (+ Salem City)
Spotsylvania (+ Fredericksburg city)
Stafford
Suffolk City
Virginia Beach City
York (+ Poquoson city)