
VIRGINIA STATE BUDGET

2005 Session

Budget Bill - SB700 (Introduced)

Bill Order » Office of Commerce and Trade » Item 112.10

Department of Housing and Community Development

| Item 112.10 | First Year - FY2005 | Second Year - FY2006 |
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| Economic and Community Development Services (53800) | \$235,000 | \$18,623,000 |
| Fund Sources: | | |
| General | \$235,000 | \$18,623,000 |

Authority: Discretionary Inclusion.

A. This Item includes funding for components of an economic and community development initiative titled "Virginia Works."

B. Out of the amounts for Economic and Community Development Services shall be provided \$4,010,000 the second year from the general fund for two regional consortium grants to support specifically identified current and future workforce training needs of existing businesses in distressed regions of the state. Applicants must identify existing industries important to economic growth in their regions; identify the skills and resources necessary in order to have a trained workforce to support those industries; identify current skills levels and skills gaps; develop a plan for remediating skills gaps and for developing necessary skills in workers; identify equipment and facilities, if any, needed to support training; form partnerships among local employers, local governments, and educational institutions; and provide local and industry matches for the regional grants. To qualify as a "regional consortium" applicants must represent at least two counties or a city and a county.

C. Out of the amounts for Economic and Community Development Services shall be provided \$2,995,000 the second year from the general fund to the Department of Conservation and Recreation to acquire and develop a 38-mile section (from the Halifax County line to Lawrenceville) in its "rails to trails" program. The Director, Department of Planning and Budget, is authorized to establish a capital project for this purpose.

D. Out of the amounts for Economic and Community Development Services shall be provided \$375,000 the second year from the general fund to the Virginia Tourism Authority to create a New Virginia Trails program that links, through marketing and signage, a series of existing but related sites and venues. This effort will further expand the Commonwealth's existing trail network.

E. Out of the amounts for Economic and Community Development Services shall be provided \$297,550 the second year from the general fund to the Virginia Tourism Authority for tourism development support for communities and businesses.

F. Out of the amounts for Economic and Community Development Services shall be provided \$100,000 the second year from the general fund for the Virginia Enterprise Initiative to provide special targeted assistance to entrepreneurs and micro-businesses in the tourism sector.

G. Out of the amounts for Economic and Community Development Services shall be provided \$195,000 the second year from the general fund to support an artisan network organization that will provide marketing assistance and services to professional artisans in Virginia, thereby creating the market presence, visibility, and engine to enable the artisans to sell their products. The network organization will work collaboratively with other organizations to

leverage its resources, broaden its reach, and provide services and assistance that are not currently available to Virginia artisans.

H. Out of the amounts for Economic and Community Development Services shall be provided \$200,000 the second year from the general fund to the Virginia Community College System to develop and implement a curriculum focused on the entrepreneurial and craft skills needed for students to become professional artisans.

I.1. Out of the amounts for Economic and Community Development Services shall be provided \$35,000 the first year and \$40,000 the second year from the general fund to the Department of Education to develop a regional summer Governor's School program focused on a range of cultural subjects such as regional music, instrument making, and pottery.

2. Item 149, paragraph C of this act shall not apply to the established planning and approval process by the Board of Education for a summer regional Governor's School to highlight and promote Virginia culture with Carroll County serving as fiscal agent and collaborating in services with other participating school divisions in Southwest Virginia.

J. Out of the amounts for Economic and Community Development Services shall be provided \$100,000 the first year and \$4,000,000 the second year from the general fund to develop two regional artisan centers to serve as tourism destinations and sales venues for artisan products. The Director, Department of Planning and Budget, based on the recommendation of the Director, Department of Housing and Community Development (DHCD), is authorized to transfer the second year funding to an appropriate state entity upon confirmation by DHCD that development of the two regional artisan centers will be done in a manner determined by DHCD to be consistent with the goals of the Virginia Works initiative. The Director, Department of Planning and Budget, is authorized to establish capital projects for this purpose.

K. Out of the amounts for Economic and Community Development Services shall be provided \$147,450 the second year from the general fund to the Virginia Tourism Authority to develop a Virginia Artisan Trail to be anchored by the two artisan centers. The trail will direct tourists to existing artisan venues in the western part of the state.

L. Out of the amounts for Economic and Community Development Services shall be provided \$250,000 the second year from the general fund to support an artisan production facility to be developed by the Virginia Coalfield Economic Development Authority (VCEDA) in the coalfields region of Virginia. The facility would provide space and equipment for artisans to make their crafts, and could be used to provide marketing assistance as well. The Director, Department of Housing and Community Development (DHCD), will provide the funds to VCEDA upon confirmation by DHCD that VCEDA has sufficient resources, when combined with the amount provided by DHCD, to complete development of the facility in a manner determined by DHCD to be consistent with the goals of the Virginia Works initiative.

M. Out of the amounts for Economic and Community Development Services shall be provided \$379,000 the second year from the general fund to the Virginia Community College System to complete development of a new advanced manufacturing/packing program at Dabney Lancaster Community College.

N. Out of the amounts for Economic and Community Development Services shall be provided \$100,000 the second year from the general fund to Virginia Tech to support the Sloan Foundation Forestry Industries Center.

O. Out of the amounts for Economic and Community Development Services shall be provided \$215,000 the second year from the general fund to the Virginia Economic Development Partnership to assist small manufacturers with the export of advanced manufacturing products.

P. Out of the amounts for Economic and Community Development Services shall be provided \$394,000 the second year from the general fund to the Virginia Community College System to be provided to Virginia's Philpott

Manufacturing Extension Partnership (VPMEP) to support the creation of the Virginia Small Manufacturing Assistance Program (VSMAAP). VPMEP will be the lead fiscal agent for VSMAAP, and the program will be a joint effort and jointly managed by VPMEP, the Center for High Performance Manufacturing at Virginia Tech, and the Business Technology Center at Virginia Tech, to provide targeted assistance to the startup of new, and the expansion of existing, small advanced manufacturing businesses in rural Virginia.

Q.1. Out of the amounts for Economic and Community Development Services shall be provided \$225,000 the second year from the general fund to the Virginia Department of Agriculture and Consumer Services to develop and implement a program to facilitate the development and marketing of high-value specialty agricultural production. The program will gather data on specialty crop production in Virginia, identify resources to help farmers enter into new production, provide marketing support for specialty and value-added agricultural products and, through existing funding sources, provide matching low-interest loans to farmers or cooperatives for pilot projects for new specialty crop ventures.

2. Out of the amounts for Economic and Community Development Services shall be provided \$100,000 the second year from the general fund to the Virginia Department of Agriculture and Consumer Services to be provided to Virginia Tech and Virginia State University for additional research and field tests of specialty crops to determine which crops are best suited to Virginia conditions.

R.1. Out of the amounts for Economic and Community Development Services shall be provided \$100,000 the first year and \$500,000 the second year from the general fund to establish a community development financial institution to provide business and housing loans in distressed communities and to distressed populations.

2. Notwithstanding the provisions of Title 59.1, Chapter 22.1, Code of Virginia, the Director, Department of Business Assistance, shall transfer all assets of the Virginia Economic Development Revolving Fund to a community development financial institution at such time as the eligible community development financial institution is legally established to do business within the Commonwealth. Such transferred funds shall be used for the purpose of providing a portion of the initial capitalization for a community development bank or credit union subject to oversight by the appropriate federal or state regulatory and insurance agencies and eligible for certification by the U. S. Department of the Treasury as a community development financial institution.

3. The Director, Department of Housing and Community Development, shall transfer \$7,500,000 in existing loans and funds from the Commonwealth Priority Housing Fund to a community development financial institution at such time as the eligible community development financial institution is legally established to do business within the Commonwealth. Such transferred funds shall be used for the purpose of providing a portion of the initial capitalization for a community development bank or credit union subject to oversight by the appropriate federal or state regulatory and insurance agencies and eligible for certification by the U.S. Department of the Treasury as a community development financial institution.

4. The purpose of the community development bank or credit union capitalized in part through the transfer of funds authorized in subparagraphs 2 and 3 shall be to leverage the Commonwealth's capital contribution and other capital that may be provided from other sources to provide a source of targeted lending and investment for economic development and housing activities within distressed communities and populations throughout the Commonwealth.

5. The Director, Department of Housing and Community Development, and another appointee of the Governor shall serve as members of the board of directors of the community development bank or credit union capitalized in part through the transfer of funds authorized in subparagraphs 2 and 3.

S. Out of the amounts for Economic and Community Development Services shall be provided \$100,000 the second year from the general fund to support increased access to New Market tax credits, a federal program designed to stimulate private investment in distressed communities. The Department of Housing and Community

Development will provide targeted assistance to organizations pursuing credit allocations; to communities that have eligible development activities; and to businesses and developers of community development projects for the purpose of increasing the number of Virginia organizations receiving allocations from the federal government and the projects in distressed communities that are able to use tax credits as part of their financing packages.

T.1. Out of the amounts for Economic and Community Development Services, \$4,000,000 the second year from the general fund shall be deposited to the Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund established under the Brownfield Restoration and Land Renewal Act of 2002, Title 10.1, Chapter 12.1, Code of Virginia.

2. Of the \$4,000,000 deposited to the fund, \$2,000,000 shall be allocated for grants to assist localities and economic development authorities in rural areas of Virginia to acquire and redevelop closed industrial sites pursuant to guidance developed by the Virginia Economic Development Partnership including, where appropriate, local match requirements.