



## SUBMISSION FORM

All submission forms must include the following information. Separate submission forms must be turned in for each eligible program. **Deadline: July 1, 2024.** Please include this submission form with the electronic entry. If you do not receive an email confirming receipt of your entry within 3 days of submission, please contact [Gage Harter](#).

### PROGRAM INFORMATION

County: Smyth County  
Program Title: Smyth Grow  
Program Category: Community & Economic Development

### CONTACT INFORMATION

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### SIGNATURE OF COUNTY ADMINISTRATOR OR DEPUTY/ASSISTANT COUNTY ADMINISTRATOR

Name: Shawn M. Utt  
Title: County Administrator  
Signature: Shawn M. Utt

Digitally signed by Shawn M. Utt  
Date: 2024.06.18 09:29:42 -04'00'



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*Atkins District  
Chilhowie District  
North Fork District  
Park District  
Royal Oak District  
Rye Valley District  
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Rick A. Billings  
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Courtney Widener  
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*County Administrator  
Asst. County Administrator - Operations  
Asst. County Administrator - Development*

*Shawn M. Utt  
Lisa Richardson  
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## **SMYTH GROW HOUSING INITIATIVE: A Model of Collaborative Development and Sustainability**

### **Background of Identified Problem**

Since the 2008 housing crisis, Smyth County and other parts of Virginia, and even the United States have suffered from a lack of available new construction homes. In fact, Smyth County has seen less than five speculative homes constructed since 2008. This absence of new housing inhibited Smyth County from attracting new citizens and businesses/industries into our communities and throughout the region over the past sixteen years. Companies considering establishing or expanding operations in rural Southwest Virginia have often cited inadequate housing options for employees as a significant barrier. Without sufficient housing, businesses struggle to recruit and retain skilled workers, which in turn hampers local economic growth and diversification efforts.

The overall effect is a cycle of stagnation where the lack of housing exacerbates economic challenges and population decline, further deterring investments in infrastructure and community development. To address these issues, strategic investments in housing initiatives, including incentives for developers and infrastructure improvements, are essential. By revitalizing the housing market, rural Southwest Virginia can foster economic resilience, attract new businesses, and support sustainable growth that benefits local communities in the long term.

### **Program Category**

Community & Economic Development

## **Executive Summary**

On April 13, 2023, the Smyth Grow program strategic initiative was announced by Smyth County Board of Supervisors. In response to critical housing shortages, Smyth County embarked on a pioneering initiative using the County's American Rescue Plan Act (ARPA) funds to create a mechanism to build a stronger, more sustainable community. The Smyth County Board of Supervisors allocated \$3,000,000 to establish a groundbreaking 0% interest revolving, loan fund in partnership with the Mount Rogers Planning District Commission. This initiative aims to catalyze the construction of approximately 100 new homes, addressing immediate housing needs while laying the foundation for sustainable community development. The program does require a small 0.5% application fee to settle any concerns about "free money" being granted; however, that has not mitigated the attention the program has garnered.

Under the leadership of Smyth County Board of Supervisors and in collaboration with the County's community-led ARPA Committee and the Mount Rogers Planning District Commission, the program will administer the funds through a structured revolving loan mechanism. This approach incentivizes developers and landowners to invest in housing projects, ensuring a continual replenishment of funds as homes are built and sold. Such a strategy not only accelerates housing construction but also generates a sustainable funding stream for future community development initiatives.

The Smyth Grow program anticipates significant community benefits. Beyond the revenues and impact of 100 new homes, the initiative promises to stimulate economic growth by attracting new residents, bolstering local tax revenues, and supporting long-term community stability. Additionally, the program aims to create a ripple effect of positive socioeconomic impacts, including enhanced educational opportunities, increased business retention, and improved quality of life for residents.

The Smyth Grow program exemplifies a proactive approach to addressing housing challenges through innovative use of ARPA funds. By fostering collaboration between governmental bodies and local agencies, Smyth County demonstrates its commitment to sustainable growth and community resilience. The program's structured financing model ensures a lasting impact, positioning Smyth County as a model for effective rural development strategies. With its comprehensive approach and ambitious goals, Smyth Grow stands poised to achieve lasting generational impact and deserves recognition for its visionary leadership in community development.

## Award Criteria

### *Innovative Solution – Spurring Housing Developments*

The innovative aspect of the Smyth Grow Housing Initiative lies in its strategic use of ARPA funds to create a self-sustaining financial mechanism. As homes are built and sold, repayments replenish the loan fund, ensuring a perpetual funding stream for future housing projects. Any relative administrative costs for the management of the loan fund program are covered by the use of accumulated interest earned from the loan fund balance. This approach not only accelerates housing development but also demonstrates fiscal responsibility and long-term vision in leveraging federal resources for community benefit.

### *Promoting Intergovernmental Cooperation*

The collaboration between Smyth County and the Mount Rogers Planning District Commission exemplifies effective intergovernmental cooperation. By pooling resources and expertise, both entities maximize the impact of ARPA funds and provide a supportive framework for developers and landowners. This partnership not only facilitates the creation of new housing opportunities but also fosters a conducive environment for sustainable economic growth across the region.

The Smyth Grow program also spurred partnerships between the Town of Marion and their BAUD (Blighted, Abandoned, Underutilized and Derelict) program, representing a significant collaboration that addresses crucial community needs and underscores the importance of fostering such partnerships within rural areas. The partnership between the Town of Marion’s BAUD program and the Smyth Grow Housing initiative was aimed at revitalizing and enhancing the quality of life in Marion has quickly provided ten new construction homes for this community.

Partnerships like the one between the Smyth Grow and Town of Marion’s BAUD program are essential and provide the following benefits for rural communities like those that exist in Smyth County, Virginia.

Additional partnerships with the development community have already resulted in over 30 new homes under contract, in addition to the BAUD homes.

1. **Community Development and Revitalization:** In rural areas, economic revitalization often hinges on the ability to attract residents, businesses, and visitors to downtown cores. The BAUD program's focus on housing improvements and downtown development directly contributes to enhancing the overall appeal and livability of Marion. This, in turn, supports local businesses and improves the quality of life for residents.

2. **Resource Sharing and Expertise:** By pooling resources and expertise from local government, private businesses, and community organizations, partnerships like Smyth Grow maximize impact and efficiency. These collaborations enable access to funding, technical assistance, and specialized knowledge that may not be available to individual entities working alone. By assuming some of the financial risk, banks and other financial institutions are more likely to be involved with the developers.
3. **Sustainability and Long-Term Planning:** Rural communities often face unique challenges such as limited resources and population decline. Collaborative partnerships such as the Smyth Grow Housing Initiative, allow for sustainable planning and long-term strategies that address these challenges comprehensively. The program's approach to community revitalization through replacement and new construction exemplifies a sustainable strategy that aims to create lasting positive impacts.
4. **Building Community Resilience:** Partnerships foster a sense of community ownership and resilience by involving stakeholders in decision-making processes. When local governments, businesses, and community members work together towards common goals like revitalization and economic development, they build a stronger, more resilient community capable of adapting to challenges and seizing opportunities.

These partnerships illustrate the transformative potential of collaborative efforts in rural community development. By fostering such partnerships, rural areas can leverage their unique strengths, address challenges effectively, and create sustainable growth that benefits residents, businesses, and the community at large.

#### *Providing a Model for Others*

The Smyth Grow Housing Initiative serves as a replicable model for addressing housing challenges in other localities. This initiative, customized to meet Smyth County's unique needs and conditions, can be adapted by local governments and planning districts nationwide. By integrating principles of financial sustainability and community impact, the initiative demonstrates how any source of funding can be creatively tailored to address local housing shortages. The involvement of the Mount Rogers Planning District Commission ensures that the program is scalable and adaptable, promoting regional economic stability and resilience.

### Innovative Approach and Customization

While inspired by similar programs elsewhere, the Smyth Grow Housing Initiative represents a distinctively tailored approach to local housing development. By leveraging ARPA funds to establish a revolving loan fund, Smyth County has innovatively structured a program that not only meets immediate housing demands but also ensures long-term funding sustainability. This customization reflects the County's commitment to innovative governance and proactive community development, setting a benchmark for other jurisdictions seeking effective solutions to housing challenges.

### Program Description (the following is a summary extracted from the program marketing materials)

Mount Rogers Planning District Commission's program for speculative housing unit development in Smyth County; The Grow Smyth County Housing Unit Development Program. The MRPDC, and Smyth County seek submissions from the public, for-profit, and non-profit developers for projects that would increase the inventory of affordable speculative housing in Smyth County through the development of new for-sale housing units. Successful applicants will be awarded funding from the \$3 million granted to the MRPDC by Smyth County. The MRPDC will be making development partner determinations through a multi-step process. First, potential partners will complete and submit Proof of Concept. This proof of concept will be issued to collect key details about the proposed project, including the number of proposed units to be constructed, partner development experience, and the location of the development. The requested proof of concept will serve as a precursor to a more detailed formal project application, in which a full scope of work and action plan will be requested for selected priority projects. This proof of concept is intended to collect critical details about an agency's experience and capacity for the development of new affordable units and a project's suitability for receipt of funding from the PDC Housing Development Grant.

### Proof of Concept Summary

The Mount Rogers Planning District Commission will accept proof of concept submissions from workforce housing developers for projects that will increase the number of housing units in Smyth County. This is the first of a two-step process to solicit proposals from parties interested in utilizing Smyth Housing Development Loan funds for affordable housing projects within Smyth County. The Smyth Housing Development Program is a competitive process, and applications are limited to one funding request per proposed project.

## Program Results

The Smyth Grow program is already providing homes to our communities and is gaining notoriety and momentum. The following update was provided as of April 2024 by the Mt. Rogers Planning District Commission and photos of conceptual planning and finished homes follows:

- There are 42 total homes under construction or under agreement to be constructed.
- MRPDC is continuing in efforts to disseminate the Smyth Housing Unit Development information to the public.
- The MRPDC is engaging in direct builder/developer solicitation. The solicitation has been well received and the MRPDC is engaged with several builders/developers from the area.
- Direct contact continues with owners of subdivisions whose subdivisions have available lots.
- Four Partner agreements are in place.
- MRPDC has negotiated agreements with modular and manufactured home companies to buy directly from these companies at wholesale. MRPDC has also negotiated an agreement with Modular and Manufactured housing dealers for reduced pricing on sites provided as a turn-key build. The intent of these negotiations is for the MRPDC to be able to utilize these products for infill development of existing sites. This will provide the capability for partnerships with existing subdivision owners for the development and construction of speculative housing units on their property.
- Smyth Housing interest earned, as of March 31, 2024: **Total: \$101,206.45**
- Origination Fees received to date: \$4,500.00





*The images above are of conceptual designs for upcoming builds and of several homes already completed*

### Conclusion

The Smyth Grow Housing Initiative stands as a testament to the transformative power of collaborative governance and innovative funding strategies. By forging partnerships, leveraging federal resources, and prioritizing community impact, Smyth County has established a sustainable model for housing development that can be emulated by local governments across the country. This initiative not only addresses immediate housing needs but also lays the groundwork for resilient, thriving communities well into the future.