

The Catalyst for Creation: Innovation Grant Program

Virginia Housing

Homeownership: Encouraging New Construction

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“We are thrilled to support these groundbreaking projects and the innovative approaches they bring to housing. Each grantee is bringing unique solutions to the table with the potential to reshape how we address housing challenges across the Commonwealth.”

- Chris Thompson, Virginia Housing’s Director of Strategic Housing

Brief Description

The Virginia Housing Innovation Grant Program is dedicated to catalyzing transformative solutions in housing affordability and services for low- and moderate-income Virginians. This forward-thinking initiative is designed to ignite technical, financial and service delivery innovations, empowering bold ideas and calculated risk-taking by offering essential upfront capital. These grants are instrumental in developing, testing and scaling visionary models that, although uncommon today, have the potential for widespread replication and long-term integration throughout the Commonwealth.

The program features three dynamic tiers:

- 1. Innovation Planning Grants (up to \$50,000):** These grants provide vital early-stage funding for those looking to brainstorm, research and explore groundbreaking housing innovations. They are open and noncompetitive, ensuring that all eligible applicants have access to the support needed to bring their innovative ideas to life.
- 2. Innovation Program Grants (up to \$200,000):** Designed to empower the execution of novel strategies in housing services, financing and community engagement, these grants encourage initiatives such as property management reform, resident leadership models and inventive funding strategies that foster community resilience.
- 3. Innovation Construction Grants (up to \$500,000):** These grants focus on pioneering construction-related innovations that aim to lower costs and reduce project timelines while enhancing quality. Examples include the incorporation of sustainable materials, advanced manufacturing methods and visionary retrofitting techniques for existing Virginia Housing-funded projects.

Why It Was Undertaken

The Innovation Grant Program was established to invigorate housing delivery and ignite fresh ideas in physical development and service provision. Understanding the hesitation within the housing industry to embrace change, Virginia Housing strives to create a welcoming environment for experimentation, particularly for organizations that face challenges in accessing risk capital. This program extends beyond mere construction; it champions groundbreaking advancements in housing services, financing and transformative reforms that aim to serve vulnerable populations with greater equity and efficiency.

What We Have Accomplished

The program has transformed remarkably, evolving from a narrow focus on construction to a broader exploration of innovative service delivery models, enhanced resident services, collaborative work approaches and cutting-edge financing methods. This exciting expansion was inspired by valuable input from diverse stakeholders. To ensure a thorough evaluation of each project, Virginia Housing has engaged a prestigious research university to meticulously track progress, document processes, and highlight both successes and challenges, ultimately summarizing key project results.

The awarded initiatives encompass a captivating array of both construction and programmatic concepts. On the construction front, pioneering projects showcased advanced manufactured housing prototypes, modular designs, accessory dwelling units and groundbreaking 3D concrete printing. Among these achievements, the 3D printing initiative yielded the nation's first owner-occupied 3D-printed home, a milestone that has paved the way for further investments in this transformative technology. Building on this effort, a companion initiative just launched to include a comprehensive curriculum to train the workforce on operating machinery, along with ongoing research and development of innovative additives and construction components and forging robust partnerships with developers to scale production.

Additionally, awards have fueled inspiring programmatic efforts, including a nonprofit developer's creation of a property maintenance program tailored for resident job training, a program empowering residents with lived experience to serve as community ambassadors, and an initiative that enhances the capacity of a Planning District Commission to establish a dynamic housing development arm. Together, these initiatives signify a promising future shaped by collaboration, innovation and commitment to the community.

Provides Benefits That Outweigh Costs

With modest grant funding, this program unlocks significant value by streamlining construction timelines, reducing operational expenses and fostering deeper resident engagement. The Better Housing Coalition, a nonprofit developer and property management company based in Richmond, Virginia, has implemented a groundbreaking approach to property management that is projected to save an impressive \$1 million by 2026. This compelling success story demonstrates remarkable returns on investment, proving that small investments can lead to extraordinary outcomes.

Another example features students at **Virginia Polytechnic Institute and State University** diving into the world of 3D printing, as shown in the pictures in the appendix. This automated process involves manufacturing construction elements or entire structures using a 3D printer. Their innovative work is truly remarkable. By integrating various disciplines from their curriculum, these motivated learners engage with this cutting-edge technology every Friday. On other days, they unleash their creativity by exploring diverse design concepts, experimenting with new additives, and conducting pioneering research and development aimed at revolutionizing housing solutions.

Demonstrates Effective Use of Resources

By uniting Virginia Housing's funding with the generous contributions of sponsors and harnessing the power of cross-sector partnerships, the program amplifies the impact of every dollar invested. This strategic approach not only maximizes the effectiveness of taxpayer resources but also focuses on nurturing ideas with the greatest promise for transformative change and lasting sustainability.

Achieves Strategic Objectives

The Innovation Grant Program directly supports Virginia Housing's Strategic Plan, particularly:

Strategic Goal 1: Address State Housing Needs and Strategy 1: Preserve and Strengthen the Housing Delivery Network. It builds on Virginia Housing's long-term goal of cultivating a resilient housing ecosystem that centers local expertise and long-term sustainability.

Strategic Goal 2: Address the unmet rental needs of low-income and critical needs populations.

Strategic Goal 3: Strengthen homeownership for first-time homebuyers in Virginia, through the creation of new homeownership and rental housing opportunities.

Below are last year's Innovation Grant winners. The current round of grant applicants is currently being evaluated.

Accomack County and iUnit Communities – Innovation Construction

Accomack County received a grant to team with iUnit Communities to build two modular cottages in Parksley, Virginia. These cottages, which were recently approved by the U.S. Department of Energy, will be Net Zero-Ready, meaning they will be set up to draw energy from a renewable source such as solar power.

project:HOMES, Module and Urban Hope – Innovation Programs

project:HOMES and Urban Hope, two Richmond-based affordable housing nonprofits, will team with Module, a modular home builder, to build nine modular rental units in Richmond, Virginia's East End.

Innovation Programs

The Mount Rogers Planning District Commission and the Marion Economic Development Authority (EDA) will use their grant to expand the EDA's Blighted, Abandoned, Underutilized and Derelict Properties (BAUD) program. Ten modular homes have currently been delivered under the BAUD program, and 20 more are expected in the near future, all to be sold to new homebuyers.

Conclusion

The Innovation Grant Program has ignited a transformative movement, empowering communities to reimagine the very fabric of housing — how it is built, financed, and experienced. Virginia Housing is at the forefront of nurturing a vibrant culture of creativity, resilience and inclusive housing opportunities across the state. By dismantling barriers to innovation and championing effective strategies, the program is paving the way for a brighter future. The strategic investments made by Virginia Housing through the Innovation Grant Program, paired with the invaluable resources contributed by dedicated project sponsors, provide the crucial upfront capital often necessary for pursuing groundbreaking ideas in the housing sector.

By absorbing some of the inherent risks linked to testing new concepts, this program effectively empowers organizations to overcome the daunting challenges of securing initial funding. As a result, they can boldly explore and implement transformative solutions that will shape the landscape of housing. The tangible outcomes and insightful lessons gleaned from these funded projects do more than benefit the immediate participants; they lay the groundwork for a more innovative, efficient, and equitable housing future for the Commonwealth of Virginia. Together, we're not just building houses; we're building a brighter tomorrow for all.

Appendix

Virginia Polytechnic Institute and State University (Virginia Tech) Students

