Quarterly Performance Report of the Virginia Telecommunication Initiative

Q4 FY2026 Report

Submitted by:
The Department of Housing and Community Development
July 2026

Executive Summary

Virginia funds broadband deployment within the Commonwealth through several programs. The largest and main program is the Virginia Telecommunication Initiative (VATl).

VATI provides grants to localities partnered with internet service providers to finance the deployment of high-speed broadband to locations (called a "passing") that are determined to be "unserved." Passings are places where the internet can be accessed; thus, it could be a business, community anchor, a home, or an apartment complex. A passing is unserved[1] if it lacks access to internet speeds of 100 megabits per second (Mbps) download and 20 Mbps upload ("100/20").

This quarterly report is required by statute and has been prepared by the Office of Broadband located within the Virginia Department of Housing and Community Development (DHCD). This report tracks the technical performance of the VATI provider partners in their work to deploy broadband. This report adheres to the factors that the General Assembly directed to be tracked and presents them in the manner directed by the General Assembly.

Below are the key takeaways from the report. *Only open projects are !isled in the summary tables provided at the end o,f this report. Completed projects are not listed in these tables; however, their total figures are listed in the summary bullets below.*

- *Total passings:* VATI FY 2022, FY 2023, and FY 2024 projects will provide access to broadband infrastructure to 320,402 passings across Virginia.
- *Leveraged local and private funding:* In addition to $822.8 million in state and federal funding awarded, FY 2022, FY 2023, and FY 2024 projects leverage a total of $1.198 billion in private and local match funding. To date, $557 million of these awarded funds and $833.3 million of these matching funds have been expended.
    - *Note: Projects thaJ have been completed and closed out are not listed in the tables below. Therefore, expenditure totals listed in this narrative may exceed the total of project expenditures in the table below.*
- *Locations Built-To:* To date, projects have provided broadband access to 231,377 locations.
    - *Note: Only active projects are included in the project tables below in this report. Projects that have been completed and closed out are not included in the project tables below. Therefore, the number of "Locations Built-To" provided in this summary narrative exceeds the "Total Passings Provided Broadband Access to Date " metric from the active project summary tables below*
- *Maximum Speeds Available:* More than 93.4% of projects funded in FY 2022, FY 2023, and FY 2024 offer functionally gigabit (1,000 Mbps) download speeds, and over 73.7% offer functionally gigabit upload speeds.

In conclusion, 14 out of the 41 open projects funded from the American Rescue Plan Act of 2021 (ARPA) and General Funds from FY 2022, FY 2023, and FY 2024 are scheduled to be completed by their original contract date as of this report's submission. DHCD identifies 27

[1] In the FY 2022 VATI process, the definition of unserved was set at 25/3. This definition of unserved has been upgraded to those passings lacking access to broadband at speeds of I 00/20 for the FY 2026 VATl process

projects with either high or low risk determinations. Justification for project delays include the make-ready effort, which includes preparing existing electric poles for aerial broadband network construction, as well as supply chain and labor markets, streamlining utility locate efforts, railroad crossings, the permitting process to lay fiber in state-owned rights of way along roads, and permitting to cross federally owned lands. DHCD will continue its ongoing work to monitor these projects, assisting where appropriate in mitigating these broadband deployment challenges.

Formal Report

Pursuant to Chapter I of the Virginia Appropriation Act of Assembly of the 2021 Special Session II and continued forward in Chapter 725 of the Virginia Appropriation Act of Assembly of the 2025 Regular Session, enclosed is the Quarterly Performance Report of the Virginia Telecommunication Initiative for Q4 FY 2026.

Item I03 L.6. of the Virginia Appropriation Act of Assembly of the 2025 Regular Session requires that DHCD deliver a quarterly performance report on funds awarded through the 2021 Acts of Assembly Special Session I (also known as the budget bill) of allocated ARPA funds, as well as state general funds awarded through VATI since the aforementioned FY 2022 budget cycle.

Administered by DHCD, VATI enhances the sustainability and growth of communities throughout the Commonwealth by preparing those communities to build, utilize, and capitalize on broadband infrastructure. The primary objective of VATI is to provide financial assistance to supplement construction costs by private sector broadband service providers to extend service to areas that presently are unserved by any broadband provider. This program requires a public-private partnership.

The directive to form this quarterly performance report establishes that:

> To the extent possible, the quarterly performance report shall contain information by grant recipient and year on the following metrics: (1) Number of passings; (2) Grant dollars expended by fund source (State and Local Recovery Fund, Capital Project Fund, general fund state grants and match); (3) Contract performance period, and on-time progress towards project delivery; (4) Maximum advertised project speeds available; and, (5) Achievement of key project milestones. The quarterly report shall be due within 30 days of the close of the quarter. The quarterly performance report shall include an evaluation of any projects under risk of incompletion or underperformance. The department in providing such risk assessment shall include a reason for the project's delay.

In accordance with this structure, DHCD has included information in this report of the projects that were awarded funds since December 2021 and includes the projects announced in the FY 2022, FY 2023, and FY 2024 cycles, including those projects funded under the Coronavirus State and Local Fiscal Recovery Fund and Coronavirus Capital Projects Funds allocations under ARPA. Project information displayed in this report reflects monthly report data from June 2026, which reflects project data as of the end of May 2026.

Of the 41 open projects funded in FY 2022, FY 2023, and FY 2024, 27 have requested and received timeline extensions, and, per DHCD's analysis, 7 are considered to be at low risk and 20 are considered to be at high risk. DHCD has established risk definitions specific to funding year. A summary of these definitions is provided in the table below. The definition of risk category varies for the FY 2022 funding year, as this funding year contained ARPA funding that has a statutory expenditure deadline of December 31, 2026.

Year	**Risk Level**	**Risk Level Definition**
FY22	No Risk	• The grantee has not requested a timeline extension beyond the originally approved contract end date; and, • Based on the sole determination of the Office of Broadband, the grantee is not significantly behind the current approved milestone timeline; and, • The timeline for that project does not have an end date in 2026.
FY22	Low Risk	• The grantee has requested a timeline extension beyond the originally approved contract end date; or, • Based on the sole determination of the Office of Broadband, the grantee is significantly behind the current approved milestone timeline and has not yet requested a timeline extension from the original completion date.
FY22	High Risk	• The grantee’s contractual end date is in 2026, regardless of if that end date reflects the original contractually established end date or is a result of an extension.
FY23, FY24	No Risk	• The grantee has not requested a timeline extension beyond the originally approved contract end date; and, • Based on the sole determination of the Office of Broadband, the grantee is not significantly behind the current approved milestone timeline.
FY23, FY24	Low Risk	• The grantee has requested a timeline extension beyond the originally approved contract end date; or, • Based on the sole determination of the Office of Broadband, the grantee is significantly behind the current approved milestone timeline and has not yet requested a timeline extension from the original completion date.
FY23, FY24	High Risk	• The grantee has requested more than one timeline extension beyond the originally approved contract end date.

DHCD staff continue to closely monitor the continued impact of challenges surrounding make-ready, which includes preparing existing electric poles for aerial broadband network construction. Other deployment challenges which are being monitored by DHCD include supply chain and labor markets, streamlining utility locate efforts, railroad crossings, the permitting process to lay fiber in state-owned rights of way along roads, and permitting to cross federally owned lands. DHCD and its local government and internet service provider partners are continuing to develop innovative solutions to meet these challenges and deliver high-speed broadband access as quickly as possible for residents in these project areas. The project summaries included in this report are updated quarterly on the VATI Project Dashboard, accessible through dhcd.virginia.gov/vati.

Q4 FY2026 Quarterly Performance Report for the Virginia Telecommunication Initiative – FY2022 Projects																
Grantee	**Internet Service Provider Partner**	**Passings in Project Area**	**Total Passings Provided Broadband Access to Date**	**Percent Complete Passings Provided Broadband Access to Date**	**Agreement Start Date**	**Agreement End Date**	**Risk**	**Reason for a Project's Delay (MR, SCL, UL, RR, ROW, FED, OTH, None)**	**Award Amount**	**Award Funding Source - (GF, General Fund) (SLFRF, Coronavirus State and Local Fiscal Recovery Fund) (CPF, Coronavirus Capital Projects Fund)**	**Awarded Funding Expended**	**Percent Expended, Out of Total Awarded Funding**	**Total Match Funding**	**Match Funding Expended**	**Percent Expended, Out of Total Match Funding**	**Maximum Advertised Project Speeds Available (Download/ Upload Mbps)**
Bedford	Shentel	3,204	3386	106%	09/09/2022	12/31/2025	Low Risk	MR, UL, RR, ROW, FED	$6,191,796.33	GF & SLFRF	$5.572.616.70	90%	$13,911,783.67	$14,128,887.87	101.56%	1000/1000
Central Shenandoah Planning District Commission	MGW	2,470	1315	53%	6/1/2022	6/30/2026	High Risk	MR, ROW, FED, OTH	$7,876,800	SLFRF	$5,308,699.55	67.40%	$3,118,706	$2,612,206.25	83.76%	1000/50
Commonwealth RC	Planet Networks	11,397	7359	65%	06/14/2022	6/14/2026	High Risk	OTH	$15,000,000	GF	$11,976,113.67	79.84%	$14,456,495.55	$10,911,952.49	75.48%	200/10
Cumberland Plateau PDC	Point Broadband	6,982	5194	74%	09/06/2022	6/30/2026	High Risk	MR	$23,478,429	CPF	$15,585,833.86	66.38%	$6,459,000	$4,287,719.01	66.38%	1000/500
Eastern Shore of Virginia Broadband Authority	ESVBA	11,091	9381	85%	6/1/2022	11/30/2024	Low Risk	OTH	$9,431,861.23	SLFRF	$9,431,861.23	100%	$2,540,544.49	$2,540,544.49	100%	1000/1000
Franklin	Shentel	3,508	3411	97%	10/17/2022	12/31/2025	Low Risk	MR, UL, RR	$11,970,757	GF & SLFRF	$10,787,511.99	90.12%	$18,646,520	$20,697,584.38	1.11%	1000/1000
Hampton Roads PDC	Charter Communications	11,114	10661	96%	07/08/2022	6/30/2026	High Risk	ROW	$21,120,053.50	SLFRF	$9,295,078.65	44.01%	$13,839,523	$6,764,424.39	48.88%	1000/500
Hanover	All Points Broadband	6,198	5613	91%	8/1/2022	6/30/2026	High Risk	MR	$13,970,000	SLFRF	$9,926,016.76	71.05%	$41,469,332	$30,326,560	73.13%	1000/1000
LENOWISCO PDC	Scott County Telephone Cooperative	10,982	9184	84%	06/13/2022	6/30/2026	High Risk	MR, RR	$22,190,500	SLFRF & CPF	$18,784,171.60	84.65%	$6,354,500	$5,674,005.02	89.29%	1000/1000
Loudoun County	All Points Broadband	8,629	774	9%	7/1/2022	6/30/2026	High Risk	MR	$17,524,000	SLFRF	$6,706,330.70	38.27%	$42,376,126	$32,562,365.48	76.84%	1000/1000
Middlesex County	All Points Broadband	970	970	100%	7/22/2022	7/31/2025	Low Risk	MR	$2,050,000	SLFRF	$1,845,000	90%	$8,453,887	$10,184,558.02	120%	1000/1000
Mount Rogers PDC	Citizens	4,914	4360	89%	9/12/2025	6/30/2026	High Risk	OTH	$7,530,000	CPF	$2,167,580.84	28.79%	$353,968	$125,881.92	35.56%	1000/1000
New River Valley Regional Commission	Gigabeam	12,094	3681	30%	03/13/2023	6/30/2026	High Risk	RR	$39,233,355	CPF	$34,170,120.85	97.49%	$38,247,340	$32,490,103.84	84.95%	1000/1000
New River Valley Regional Commission	All Points Broadband	7,872	4158	53%	12/06/2022	6/30/2026	High Risk	MR	$29,122,000	CPF	$14,302,921.42	49.11%	$26,103,057	$12,832,518.75	49.16%	1000/1000

Northern Shenandoah Valley Regional Commission	All Points Broadband	32,238	4420	14%	7/22/2022	6/30/2026	High Risk	MR	$96,873,500	SLFRF	$33,995,304.29	35.09%	$206,243,317	$119,287,116.79	57.84%	1000/1000
Roanoke	B2X	520	60	12%	09/22/2022	9/30/2026	High Risk	SCL, OTH	$170,609	GF	$35,295.43	20.69%	$177,572	$40,817.85	22.99%	25/4
Roanoke	Cox	396	260.00	66%	9/1/2022	10/15/2026	High Risk	FED	$1,535,264	SLFRF	$0	0%	$1,597,927	$0	0%	940/35
Roanoke	Comcast	48	0	0%	6/13/2025	6/30/2026	High Risk	MR	$348,640	SLFRF	$0	0%	$462,880	$0	0%	1000/1000
Southside PDC	EMPOWER Broadband	14,634	13010	89%	07/22/2022	7/22/2026	High Risk	MR	$69,431,635	SLFRF	$62,480,471.50	89.99%	$84,677,555	$79,139,913.75	93.46%	1000/1000
Thomas Jefferson PDC	Firefly Broadband	38,785	33936	87%	08/15/2022	6/30/2026	High Risk	MR, RR, ROW, FED	$84,810,054	SLFRF & CPF	$79,416,673.02	93.64%	$218,753,880	$204,708,458.96	93.58%	1000/1000
West Piedmont PDC - Dinwiddie	RiverStreet Networks	5,009	0	0%	06/20/2022	6/30/2026	High Risk	RR, ROW	$6,893,337	SLFRF	$1,267,198.49	18.38%	$18,974,275	$1,768,161.12	9.32%	1000/107300
West Piedmont PDC (East)	RiverStreet Networks	24,641	8552	35%	08/03/2022	6/30/2026	High Risk	RR, ROW	$87,003,888	SLFRF	$65,081,325.32	74.8%	$65,421,341	$43,586,112.90	66.62%	1000/1000
West Piedmont PDC (West)	RiverStreet Networks	10,056	33	0%	09/30/2022	6/30/2026	High Risk	FED, ROW	$33,571,073	CPF	$10,440,293.06	31.1%	$59,425,085	$3,124,052.93	5.26%	1000/1000

***Data as of June 2026 Monthly Project Reports, which reflect project statistics through the end of May 2026.**

Abbreviations for Reasons for Project's Delay: MR – Make Ready, SCL – Supply Chain and Labor, UL – Utility Locates, RR – Railroad, ROW – Right of Way Permitting along State Roads, FED – Federal Land Permitting Challenges, OTH – Other (Described)

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Grantee	**Internet Service Provider Partner**	**Passings in Project Area**	**Total Passings Provided Broadband Access to Date**	**Percent Complete Passings Provided Broadband Access to Date**	**Agreement Start Date**	**Current Contract End Date**	**Risk**	**Reason for a Project's Delay (MR, SCL, UL, RR, ROW, FED, OTH, None)**	**Award Amount**	**Award Funding Source - (GF, General Fund)**	**Awarded Funding Expended**	**Percent Expended , Out of Total Awarded Funding**	**Total Match Funding**	**Match Funding Expended**	**Percent Expended, Out of Total Match Funding**	**Maximum Advertised Project Speeds Available (Download/ Upload Mbps)**
Caroline County	Breezeline	3,910	2406	62%	10/23/2024	4/23/2027	Low Risk	MR	$6,446,000	GF	$3,650,656.84	56.63%	$15,246,800	$9,594,505.62	62.93%	1000/600
Chesterfield County	All Points Broadband	494	0	0%	12/1/2023	11/30/2026	Not at Risk	None	$755,523	GF	$0	0%	$12,494,553.22	$0	0%	1000/1000
Essex County	Breezeline	3,526	2173	62%	09/06/2023	3/6/2027	Low Risk	MR	$8,753,009	GF	$2,800,755.09	32%	$19,113,941	$6,795,563.80	35.55%	1000/600
Henrico County	All Points Broadband	412	0	0%	12/1/2023	6/30/2026	High Risk	None	$501,620	GF	$107,733.32	21.47%	$6,027,280.42	$633,418.32	10.51%	1000/1000
Southside PDC	EMPOWER Broadband	4,804	3226	67%	9/26/2023	9/26/2027	Low Risk	MR	$8,556,028.84	GF	$2,663,704.07	31.13%	$21,677,288.16	$6,706,990.40	30.94%	1000/1000
West Piedmont PDC (East)	RiverStreet Networks	3,356	1223	36%	11/6/2023	11/6/2026	Not at Risk	None	$8,155,864	GF	$6,853,583.69	84.03%	$5,205,136	$4,420,830.09	84.93%	1000/1000
West Piedmont PDC (Pittsylvania)	RiverStreet Networks	2,102	855	41%	10/5/2023	10/5/2026	Not at Risk	None	$3,548,250	GF	$3,165,432.50	89.21%	$1,856,750	$1,612,636.68	86.85%	1000/1000
West Piedmont PDC (West)	RiverStreet Networks	4,526	7	0.2%	2/28/2024	12/31/2026	Not at Risk	ROW, FED, OTH	$8,013,600	GF	$682,564.90	8.52%	$5,386,400	$17,149.89	0.32%	1000/1000
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Grantee	**Internet Service Provider Partner**	**Passings in Project Area**	**Total Passings Provided Broadband Access to Date**	**Percent Complete Passings Provided Broadband Access to Date**	**Agreement Start Date**	**Current Contract End Date**	**Risk**	**Reason for a Project's Delay (MR, SCL, UL, RR, ROW, FED, OTH, None)**	**Award Amount**	**Award Funding Source - (GF, General Fund)**	**Awarded Funding Expended**	**Percent Expended, Out of Total Awarded Funding**	**Total Match Funding**	**Match Funding Expended**	**Percent Expended, Out of Total Match Funding**	**Maximum Advertised Project Speeds Available (Download/ Upload Mbps)**
Thomas Jefferson PDC	Firefly	5,825	386	7%	11/1/2024	12/31/2026	Not at Risk	None	$12,208,500	GF	$3,166,830	25.94%	$36,427,182	$9,091,855.62	24.96%	1000/1000
Southside PDC	Empower	3,757	3526	94%	11/13/2024	6/30/2027	Not at Risk	None	$3,353,579	GF	$64,000	1.91%	$3,153,579	$0	0%	1000/1000
Giles County	PemTel	629	342	54%	1/21/2025	1/21/2027	Not at Risk	None	$4,199,596	GF	$1,927,432.98	45.90%	$1,343,604	$1,745,733.20	129.93%	1000/1000
Franklin County	ZiTEL	2,543	893	35%	1/21/2025	7/21/2026	Not at Risk	None	$4,538,288	GF	$2,916,891.41	64.27%	$7,737,355	$5,517,546.30	66.89%	1000/1000
Carroll County	ZiTEL	2,214	112	5%	7/10/2025	7/10/2027	Not at Risk	None	$10,199,624	GF	$3,326,395.24	32.61%	$7,694,453	$2,818,206.56	36.63%	1000/1000
Rockbridge BARC	BARC	293	161	55%	11/4/2024	11/4/2026	Not at Risk	None	$1,197,320	GF	$219,624.32	18.34%	$1,653,443	$1,164,030.29	70.40%	1000/1000
Rockbridge	Brightspeed	976	72	7%	4/10/2025	5/7/2027	Not at Risk	None	$975,865	GF	$0	0%	$3,901,517	$0	0%	1000/1000
Alleghany County	CBEC	370	0	0%	11/21/2024	6/13/2026	Not at Risk	None	$2,332,353	GF	$1,252,955.60	53.72%	$1,019,580	$537,242.20	52.69%	1000 / 1000
Orange County	FiberLync	546	241	44%	8/8/2024	8/8/2026	Not at Risk	None	$2,138,416	GF	$1,763,949.35	82.49%	$3,155,780	$3,136,212.85	99.38%	1000/1000
Botetourt	Comcast	62	10	16%	12/12/2024	12/12/2026	Not at Risk	None	$395,411	GF	$0	0%	$232,225	$0	0%	1000 / 1000
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