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SENATE BILL NO. 787

Offered January 8, 2025

Prefiled December 28, 2024

A BILL to amend and reenact §§ 36-142 and 36-150 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 36-139.10, relating to Department of Housing and Community Development reports; consolidation.

Patron—McDougle

Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:

1. That §§ 36-142 and 36-150 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 36-139.10 as follows:

§ 36-139.10. Department of Housing and Community Development consolidated report.

A. As used in this section, "consolidated report" means a report submitted by the Department pursuant to this section in satisfaction of any reporting requirements of §§ 36-139, 36-139.6, 36-140.01, 36-142, 36-150, and 59.1-546.

B. Notwithstanding any other provision of law, the Department shall be deemed to have satisfied the reporting requirements of §§ 36-139, 36-139.6, 36-140.01, 36-142, 36-150, and 59.1-546 by submitting a consolidated report to the Governor and the General Assembly no later than October 1 of each year.

C. Each year, the consolidated report shall include the reports required pursuant to §§ 36-139, 36-140.01, 36-142, 36-150, and 59.1-546 and subsection E.

D. In even-numbered years, in addition to the requirements of subsection C, the consolidated report shall also include the report required pursuant to § 36-139.6.

E. The consolidated report shall include a report on the outcomes associated with closed projects that received a grant from the Virginia Growth and Opportunity Fund as established by § 2.2-2487. This report shall include itemized information that details the project name, the Regional Council, GO Virginia investment type, GO Virginia strategy, program year, date of award, committed match, anticipated project outcomes, and actual project outcomes. The Department shall utilize the information provided in this report to create a public facing performance dashboard to be updated annually that includes individual projects organized by region, total GO Virginia resources committed to the project, anticipated outcomes, and actual outcomes submitted to the Department at the close of the project. This information shall further be disaggregated by year and shall feature all projects receiving GO Virginia grants.

§ 36-142. Creation and management of Fund.

A. There is hereby established in the state treasury a special permanent, nonreverting fund, to be known as the "Virginia Housing Trust Fund." The Fund shall be established on the books of the Comptroller and consist of sums appropriated to the Fund by the General Assembly, all receipts by the Fund from loans made by it to housing sponsors and persons and families of low and moderate income, all income from the investment of moneys held in the Fund, and any other sums designated for deposit to the Fund from any source, public or private. The Fund shall also consist of such other sums as may be made available to it and shall include federal grants solicited and received for the specific purposes of the Fund and all interest and income from investment of the Fund. Any sums remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. All moneys designated for the Fund shall be paid into the state treasury and credited to the Fund.

B. The Department shall:

1. Work in collaboration with the HDA to provide loan origination and servicing activities as needed to carry out the purposes of the Fund. The costs of such services shall be considered an eligible use of the Fund; and

2. Use, through HDA, at least 80 percent of the moneys from the Fund to provide flexible financing for low-interest loans through eligible organizations. Such loans shall be structured to maximize leveraging opportunities. All such funds shall be repaid to the credit of the Fund. Loans may be provided for (i) affordable rental housing to include new construction, rehabilitation, repair, or acquisition of housing to assist low or moderate income citizens, including land and land improvements; (ii) down payment and closing cost assistance for homebuyers; and (iii) short-term, medium-term, and long-term loans to reduce the cost of homeownership and rental housing. Moneys required by the HDA to fund such loans and perform loan closing and disbursement services shall be transferred from the Fund to the HDA.

The Department may use up to 20 percent of the moneys from the Fund to provide grants through eligible organizations for targeted efforts to reduce homelessness, including (a) temporary rental assistance, not to

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59 exceed one year; (b) housing stabilization services in permanent supportive housing for homeless individuals
60 and homeless families; (c) mortgage foreclosure counseling targeted at localities with the highest incidence of
61 foreclosure activity; and (d) predevelopment assistance for permanent supportive housing and other long-
62 term housing options for the homeless.

63 C. The Fund shall be administered and managed by the Department as prescribed in this chapter. In order
64 to carry out the administration and management of the Fund, the Department is granted the power to contract
65 with or employ officers, employees, agents, advisers and consultants, including, without limitation, attorneys,
66 financial advisers, public accountants, engineers and other technical advisers and, the provisions of any other
67 law to the contrary notwithstanding, to determine their duties and compensation without the approval of any
68 other agency or instrumentality. The Department may disburse from the Fund its reasonable costs and
69 expenses incurred in the administration and management of the Fund, including reasonable fees and costs of
70 the HDA.

71 D. For the purposes of this section, eligible organizations include (i) localities, (ii) local government
72 housing authorities, (iii) regional and statewide housing assistance organizations that provide assistance to
73 low and moderate income or low income citizens of Virginia, and (iv) limited liability companies expressly
74 created for the purpose of owning and operating affordable housing.

75 E. In any year prior to the expenditure of any general funds appropriated for the Fund for the next
76 succeeding fiscal year, the Department, in conjunction with HDA, shall submit a ~~plan~~ report outlining the
77 proposed uses of such funds to the General Assembly. *The report shall also include the impact of the loans
78 and grants previously awarded through the Fund, including (i) the number of affordable rental housing units
79 repaired or newly constructed, (ii) the number of individuals receiving down payments or closing assistance,
80 (iii) the progress and accomplishments in reducing homelessness achieved by the additional support provided
81 through the Fund, and (iv) the progress in expanding permanent supportive housing options.* The ~~plan~~ report
82 shall be provided to the Chairmen of the House Committee on Appropriations and the Senate Committee on
83 Finance and Appropriations no later than November 1 of each year.

84 **§ 36-150. Reports.**

85 A. On or before December 1 of each year, the Department shall report to the Secretary of Commerce and
86 Trade, the Governor, and the Chairmen of the House Committee on Appropriations and the Senate
87 Committee on Finance and Appropriations and on such other matters regarding the Fund as the Department
88 may deem appropriate, including the status of the former Housing Partnership Fund, or other items as may be
89 requested by any of the foregoing persons to whom such report is to be submitted.

90 B. *The Department shall report to the Chairmen of the House Committee on Appropriations and the
91 Senate Committee on Finance and Appropriations and the Director of the Department of Planning and
92 Budget by December 1 of each year on the state's homeless programs, including the number of (i) emergency
93 shelter beds, (ii) transitional housing units, (iii) single room occupancy dwellings, (iv) homeless intervention
94 programs, (v) homeless prevention programs, and (vi) homeless individuals supported by the permanent
95 housing state funding on a locality and statewide basis and the accomplishments achieved by the additional
96 state funding provided to the program. The report shall also include the number of Virginians served by these
97 programs, the costs of the programs, and the financial and in-kind support provided by localities and
98 nonprofit groups to these programs. In preparing the report, the Department shall consult with localities and
99 community-based groups.*

100 **2. That the provisions of this act shall become effective on January 1, 2026.**