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SENATE BILL NO. 832**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the Senate Committee on General Laws and Technology
on January 15, 2025)

(Patron Prior to Substitute—Senator Locke)

A BILL to amend the Code of Virginia by adding in Chapter 8 of Title 36 a section numbered 36-140.02, relating to Department of Housing and Community Development; rental assistance pilot program.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 8 of Title 36 a section numbered 36-140.02 as follows:

§ 36-140.02. Rental assistance pilot program.

A. For the purposes of this section, "qualifying household" means a family unit that resides together in one dwelling (i) that includes at least one person 16 years of age or younger and (ii) whose income does not exceed 50 percent of the area median income for the locality in which such family resides, as calculated by the U.S. Department of Housing and Urban Development.

B. The Department shall establish and administer a pilot program to provide rental assistance to qualifying households. Qualifying households may receive monthly rental assistance equal to the lesser of (i) the amount necessary to reduce their housing costs to 30 percent of the monthly adjusted net income of the household or (ii) the applicable payment standard as determined by the Department. Rental assistance issued pursuant to this section may be used for housing in any locality in the state, and for housing costs other than rent, such as security deposits and application fees.

C. The Department shall establish guidelines for the administration of the pilot program informed by the 2022 Virginia Housing Stability Fund Model Program Guidelines report and by consultations with various stakeholders, including the Department of Social Services, the Virginia Housing Commission, the Department of Education, McKinney-Vento liaisons, Continuum of Care lead agencies, housing providers, tenants, and others. The Department may administer the pilot program in partnership with local and regional agencies, with a priority for partnerships with local school divisions and McKinney-Vento liaisons. The Department shall determine rental assistance payment standards for each size of a dwelling unit in a market area, which shall be greater than or equal to the Small Area Fair Market Rent, as established annually by the U.S. Department of Housing and Urban Development, for the same size of dwelling unit in the same market area. The Department shall develop a process to ensure that each dwelling unit for which a rental assistance safe and habitable.

D. The Department shall collect data on the utilization of the rental assistance issued in each fiscal year under the pilot program and submit an annual report to the General Assembly on or before December 1 of each year with an update on the implementation and impact of the pilot program.

2. That the provisions of this section shall expire on July 1, 2028.

SENATE SUBSTITUTE

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