# Department of Planning and Budget
## 2025 General Assembly Session
### State Fiscal Impact Statement

**PUBLISHED: 1/21/2025 11:44 AM** **ORIGINAL**

**Bill Number:** SB832S1 **Patron:** Locke
**Bill Title:** Department of Housing and Community Development; rental assistance voucher pilot program.

**Bill Summary:** Establishes the rental assistance voucher pilot program within the Department of Housing and Community Development (DHCD) for the purpose of providing direct rental assistance to qualifying households, as defined by the bill. Requires DHCD to consult with relevant stakeholders to develop program guidelines and to develop a process to ensure that each unit for which assistance is authorized is habitable. The bill directs DHCD to submit an annual report to the General Assembly on the implementation and impact of the rental assistance program. The bill has an expiration date of July 1, 2028.

**Budget Amendment Necessary:** **YES** **Items Impacted:** **102 (DHCD)**
**Explanation:** This bill involves DHCD; the Department of Social Services (DSS); the Virginia Housing Commission (VHC); and the Department of Education (DOE). An amendment would be required to establish the new program. The amount would depend on the size and scale of the overall program. See the "Fiscal Analysis" section, below.

**Fiscal Summary:** It is anticipated that general fund support and positions would be needed to implement the program established in this bill. The amount is dependent upon the size of the program. However, based on an existing rental assistance program, the Virginia Eviction Reduction Program (ERP), DHCD estimates that three positions and $359,000, annually through FY 2028, would be required for a similarly scaled program; DHCD is unable to provide an estimate of funding needed for grants.

**Fiscal Analysis:** The fiscal impact of this bill on DHCD depends on the level of funding that is provided for the pilot program. Based on work with rental assistance in ERP, DHCD anticipates the administrative impact of this bill to include work related to program development, organizational capacity building, implementation, and monitoring. Three FTEs are currently tied to ERP, including a supervisory position. ERP has a general fund budget of $3.45 million annually. DHCD states that resources dedicated to ERP cannot absorb the impact of this bill.

An addition of up to three positions including an administrator and two program specialists, is anticipated to cost $359,000 annually. Any funds for this initiative can be allocated to Item 102, HB1600/SB800, as introduced.

It is anticipated that DSS, VHC, and DOE can absorb any impact that may result from this bill.

**Other:** None.