

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

PUBLISHED: 1/23/2025 11:40 AM

ORIGINAL

Bill Number: HB1702H1

Patron: Bulova

Bill Title: Urban Public-Private Partnership Redevelopment Fund; funding requirements; report.

Bill Summary: Directs the Department of Housing and Community Development (DHCD) to develop criteria and guidelines for the use of funds from the Urban Public-Private Partnership Redevelopment Fund. Under current law, the Board of Housing and Community Development is directed to develop guidelines for administration of the Fund. The bill expands the qualifying private entities available for partnership with a local government for the redevelopment of a local site, removes the existing \$500,000 grant cap for such local government, and eliminates the requirement that each grant be conditioned upon a 100 percent match of funds by the local government. In addition, the bill requires the Department to submit a report to the Secretary of Commerce and Trade, the Governor, and the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations. Further, the bill repeals the Housing Revitalization Zone Act. This bill is a recommendation of the Virginia Housing Commission.

Budget Amendment Necessary: YES, see **Items Impacted:** 103 (DHCD)
explanation

Explanation: This bill involves DHCD. An amendment would be required to capitalize the Urban Public-Private Partnership Redevelopment Fund. Although the Fund exists in the state's financial system, the Fund currently has a zero balance.

Fiscal Summary: The impact of this bill to the general fund depends on the level at which the Fund is capitalized. The Fund allows for administrative costs incurred by DHCD.

Fiscal Impact: This fiscal impact estimate is preliminary. The bill makes modifications to the allowable uses of funds in the Urban Public-Private Partnership Redevelopment Fund, and repeals the Housing Revitalization Zone Act, which established the Housing Revitalization Zone Fund to support a grant program. Both Funds are dormant and not currently capitalized. An amendment is needed to operationalize the program and capitalize the Urban Public-Private Partnership Redevelopment Fund as modified by the bill. The bill allows the Fund to support administrative expenses by DHCD.

The fiscal impact of this bill depends on the amount at which the Fund is capitalized. Based on similar programs with \$10.0 million in grant funding, DHCD anticipates that three positions, a program supervisor and two administrators, costing approximately \$350,000, would be needed to carry out the work tied to disbursing the grant funding. Any funding tied to this bill can be allocated to Item 103 in HB1600/SB800.

Other: None.