

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

PUBLISHED: 1/28/2025 11:36 AM

ORIGINAL

Bill Number: HB1758H1

Patron: Gardner

Bill Title: Surplus real property; prioritization of disposition for affordable housing.

Bill Summary: Requires the Virginia Housing Development Authority to determine whether, following an offer of surplus property to the chief administrative officer of the locality within which the surplus property is located, as well as to any economic development entity for such locality, such surplus property is suitable for the development of affordable housing, as defined by the bill. If the Department of General Services, in consultation with Authority determines the property is suitable, the bill provides that such property shall be offered for at least 90 days exclusively to eligible organizations, as defined by the bill, for the purpose of developing affordable housing, provided that the terms of the disposition include a recorded covenant to provide affordable housing for at least 30 years.

The bill also requires the governing body of each locality to prepare an inventory list of all real property within its jurisdiction to which the locality or any dependent special district within its boundaries holds fee simple title that is suitable for the development of affordable housing. If the governing body of a locality chooses to dispose of such a property, such property shall be offered for at least 90 days exclusively to eligible organizations, as defined by the bill, for the purpose of developing affordable housing, through purchase, lease, exchange, or donation in return for a recorded covenant to provide affordable housing for at least 30 years.

Budget Amendment Necessary: No

Items Impacted:

Explanation: The fiscal impact of this legislation is indeterminate.

Fiscal Summary: The substitute bill delegates affordable housing determinations to the Virginia Housing Development Authority, which receives no state appropriations. There will still be an indeterminate revenue loss to the Commonwealth for selling properties at less than fair market value.

Fiscal Analysis: The Department of General Services (DGS) indicates the bill could result in a loss of proceeds to the Commonwealth from the sale of surplus property, as the legislation permits the property be sold for less than fair market value, provided the requirements of the statute are met. The provision permitting an action at law or suit in equity to require a property revert to the Commonwealth may incur a fiscal impact if a covenant is breached.

Other: