

26102716D

1 **HOUSE BILL NO. 408**

2 Offered January 14, 2026

3 Prefiled January 12, 2026

4 *A BILL to amend the Code of Virginia by adding in Chapter 49 of Title 59.1 a section numbered 59.1-549.1, relating to Enterprise Zone Housing Availability Grant Program.*

5 Patron—Reid

6 Committee Referral Pending

7 **Be it enacted by the General Assembly of Virginia:**8 **1. That the Code of Virginia is amended by adding in Chapter 49 of Title 59.1 a section numbered**9 **59.1-549.1 as follows:**10 **§ 59.1-549.1. Enterprise Zone Housing Availability Grant Program.**11 **A. For the purposes of this section:**12 *"Major qualified zone developer" means a qualified zone developer incurring eligible costs in excess of*13 *\$20 million.*14 *"Eligible costs" means costs incurred to construct, expand, or rehabilitate residential property that is*15 *leased or sold within an enterprise zone during the same calendar year.*16 *"Eligible occupant" means a household that earns 80 percent or more of the area median income (AMI)*17 *of the locality in which the property is located, but less than 120 percent of such AMI.*18 *"Qualified zone developer" means an owner of real property located within an enterprise zone who*19 *expands, rehabilitates, or constructs such real property for residential use.*20 **B. The Board shall establish the Enterprise Zone Housing Availability Grant Program (the Program) to**21 **incentivize development of affordable housing.**22 **C. 1. To be eligible to receive a grant pursuant to this section, a qualified zone developer must rent or sell**23 **any residential property for which eligible costs were incurred to an eligible occupant.**24 **2. A qualified zone developer leasing a residential property for which he incurred eligible costs shall**25 **charge a monthly rent equal to or less than 24 percent of the monthly AMI of the locality in which the**26 **property for which eligible costs were incurred is located. Upon renewal of such lease, rent shall not**27 **increase to greater than 24 percent of the monthly AMI of the locality for 10 years following the execution of**28 **the initial lease following the construction, expansion, or rehabilitation of such property for which eligible**29 **costs were incurred. A qualified zone developer that sells a property for which he incurred eligible costs shall**30 **include resale restrictions on the deed of sale, including (i) limiting the future resale price of such property to**31 **the original purchase price adjusted for the change in AMI since the date of purchase, and (ii) requiring**32 **future purchasers to qualify as eligible occupants. Such resale restrictions shall remain in force for 10 years**33 **following the original date of purchase.**34 **C. Grants shall be calculated at a rate of 20 percent of eligible costs incurred in excess of \$500,000 in the**35 **case of the construction of a new residential property. Grants shall be calculated at a rate of 20 percent of**36 **eligible costs incurred in excess of \$100,000 in the case of the rehabilitation or expansion of an existing**37 **building or facility.**38 **C. Grants shall be calculated at a rate of 20 percent of eligible costs incurred in excess of \$500,000 in the**39 **case of the construction of a new residential property. Grants shall be calculated at a rate of 20 percent of**40 **eligible costs incurred in excess of \$100,000 in the case of the rehabilitation or expansion of an existing**41 **building or facility.**42 **C. Grants shall be calculated at a rate of 20 percent of eligible costs incurred in excess of \$500,000 in the**43 **case of the construction of a new residential property. Grants shall be calculated at a rate of 20 percent of**44 **eligible costs incurred in excess of \$100,000 in the case of the rehabilitation or expansion of an existing**45 **building or facility.**46 **C. Grants shall be calculated at a rate of 20 percent of eligible costs incurred in excess of \$500,000 in the**47 **case of the construction of a new residential property. Grants shall be calculated at a rate of 20 percent of**48 **eligible costs incurred in excess of \$100,000 in the case of the rehabilitation or expansion of an existing**49 **building or facility.**50 **E. The Board shall determine guidelines for the allocation of grants awarded pursuant to this section.**51 **Such guidelines shall include a process for (i) certifying the income of the households renting or purchasing**52 **the residential property for which eligible costs were incurred and (ii) monitoring compliance with the**53 **ongoing affordability restrictions of the residential property for which eligible costs were incurred, pursuant**54 **to subsection B 2.**55 **F. A qualified zone developer shall apply for a housing availability grant in the calendar year following**56 **the year in which the property for which eligible costs were incurred was sold or leased. A housing**57 **availability grant to a major qualified zone developer shall not exceed \$300,000 within any five-year period**58 **for any individual building or facility.**

INTRODUCED

HB408