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HOUSE BILL NO. 1057

Offered January 14, 2026

Prefiled January 14, 2026

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; Virginia Rural Housing Infrastructure Fund and Program.

 Patron—Phillips

 Committee Referral Pending

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. Virginia Rural Housing Infrastructure Fund and Program.

A. As used in this section:

"Fund" means the Virginia Rural Housing Infrastructure Fund established in subsection B.

"Program" means the Virginia Rural Housing Infrastructure Program established in subsection C.

"Rural community" means any county in the Commonwealth with a population of 75,000 or less or any city in the Commonwealth with a population of 50,000 or less.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Rural Housing Infrastructure Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purpose of financing infrastructure projects in rural communities associated with increased housing development within such communities. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director.

C. The Virginia Rural Housing Infrastructure Program is established for the purpose of awarding grants to Fund and Program projects pursuant to subsection D from such funds as may be available from the Fund. The aggregate amount of grants payable under this section in any fiscal year shall not exceed \$20 million, and \$5 million of such funds shall be designated for grants to rural communities in southern and southwestern Virginia. The Department shall establish guidelines to identify such regions.

D. The Department shall develop criteria and guidelines for the purpose of administering the Program pursuant to subsection C and shall establish monitoring and accountability mechanisms for rural communities receiving funding. Such criteria and guidelines shall:

1. Identify qualifying infrastructure projects including (i) upgrades to, or development of, infrastructure for public water, public sewer, and stormwater management systems; (ii) lot clearing and development for new housing projects; and (iii) roads or other remedies to transportation impediments.

2. To the extent practicable, prioritize funding projects (i) with a high potential for enhanced job creation and capital investment in rural communities; (ii) that have previously secured alternative funding from any source contingent on a cash match; and (iii) that promote collaboration and cooperation with public and private sector partners.

3. Establish eligibility and application criteria including permitting applications from any local industrial development authority, economic development authority, housing authority, or planning district commission within a rural community.

E. Any grant recipient shall only use awarded funds for the purposes of the Program pursuant to this section. If the Department determines that a grant recipient is not in substantial compliance with the terms and requirements of a grant provided under this section, the Department may revoke or suspend funding of such grant, in whole or in part, or require repayment of grant funds.

INTRODUCED

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