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1 **SENATE BILL NO. 566**

2 Offered January 14, 2026

3 Prefiled January 14, 2026

4 *A BILL to amend and reenact § 2.2-2240.3 of the Code of Virginia and to amend the Code of Virginia by*
5 *adding a section numbered 2.2-2240.7, relating to Virginia Workforce Housing Assistance Program*
6 *established; report.*

7 Patron—Sturtevant

8 Referred to Committee on General Laws and Technology

9 **Be it enacted by the General Assembly of Virginia:**10 **1. That § 2.2-2240.3 of the Code of Virginia is amended and reenacted and that the Code of Virginia is**
11 **amended by adding a section numbered 2.2-2240.7 as follows:**12 **§ 2.2-2240.3. Definitions; Virginia Jobs Investment Program and Fund; composition; general**
13 **qualifications.**14 A. As used in this section and §§ 2.2-2240.4, 2.2-2240.5, 2.2-2240.6, and 2.2-2240.7 unless the context
15 requires a different meaning:16 "Capital investment" means an investment in real property, personal property, or both, at a manufacturing
17 or basic nonmanufacturing facility within the Commonwealth that is or may be capitalized by the company
18 and that establishes or increases the productivity of the manufacturing facility, results in the utilization of a
19 more advanced technology than is in use immediately prior to such investment, or both.20 "Full-time employee" means a natural person employed for indefinite duration in a position requiring a
21 minimum of either (i) 35 hours of the employee's time per week for the entire normal year, which "normal
22 year" shall consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary employees shall
23 not qualify as new full-time employees under the Program.

24 "Fund" means the Virginia Jobs Investment Program Fund created in this section.

25 "Housing down payment assistance" means financial assistance in the form of loans, grants, or other
26 compensation provided by an employer to an employee through a housing down payment assistance program
27 and that is provided for the purpose of assisting employees with the down payment necessary for the
28 purchase of a home, irrespective of whether such compensation is forgivable or includes tenure conditions.
29 "Housing down payment assistance" includes any expenses incurred for the provision of financial literacy
30 and wealth-building education.

31 "Program" means the Virginia Jobs Investment Program created in this section.

32 B. There is hereby created the Virginia Jobs Investment Program to support private sector job creation by
33 encouraging the expansion of existing Virginia businesses and, the start-up of new business operations in
34 Virginia, and the enhancement of Virginia workforce recruitment and retention initiatives. The Program shall
35 support existing businesses and economic development prospects by offering funding to (i) offset recruiting
36 and training and retraining costs incurred by companies that are either creating new jobs or implementing
37 technological upgrades and by providing assistance with workforce-related challenges and organizational
38 development workshops and (ii) offset housing down payment assistance.

39 C. The Program shall consist of the following component programs:

40 1. The Virginia New Jobs Program;
41 2. The Workforce Retraining Program; and
42 3. The Small Business New Jobs and Retraining Programs; and
43 4. The Virginia Workforce Housing Assistance Program.

44 D. To be eligible for assistance under any of the component programs of the Program, a company shall:

45 1. Create or sustain employment for the Commonwealth in a basic sector industry or function, which
46 would include businesses or functions that directly or indirectly derive more than 50 percent of their revenues
47 from out-of-state sources, as determined by the Authority;48 2. Pay a minimum entry-level wage rate per hour of at least 1.2 times the federal minimum wage or the
49 Virginia minimum wage, as required by the Virginia Minimum Wage Act (§ 40.1-28.8 et seq.), whichever is
50 higher. In areas that have an unemployment rate of one and one-half times the statewide average
51 unemployment rate, the wage rate minimum may be waived by the Authority. Only full-time positions that
52 qualify for benefits shall be eligible for assistance;

53 3. Meet such additional criteria as may be set forth by the Authority.

54 E. There is hereby established in the state treasury a special nonreverting fund to be known as the Virginia
55 Jobs Investment Program Fund (the Fund). The Fund shall consist of any moneys appropriated thereto by the
56 General Assembly from time to time and designated for the Fund. Any moneys deposited to or remaining in

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59 the Fund during or at the end of each fiscal year or biennium, including interest thereon, shall not revert to the
60 general fund but shall remain in the Fund and be available for allocation under this article in ensuing fiscal
61 years. Moneys in the Fund shall be used solely for grants to eligible businesses as permitted by the Program.
62 The total amount of funds provided to eligible businesses under the Program for any year, shall not exceed
63 the amount appropriated by the General Assembly to the Fund for such year, plus any carryover from
64 previous years. Expenditures and disbursements from the Fund shall be made by the State Treasurer on
65 warrants issued by the Comptroller upon written request signed by the President and Chief Executive Officer
66 or his designee. The Fund shall be administered by the President and Chief Executive Officer.

67 **§ 2.2-2240.7. Virginia Workforce Housing Assistance Program; report.**

68 A. *For purposes of this section:*

69 "Department" means the Department of Housing and Community Development.

70 "Eligible employer" means a small business, as defined in § 2.2-1604, that establishes a housing down
71 payment assistance program for employees, incurs housing down payment assistance expenses for such
72 program, executes a memorandum of understanding or performance contract with the Authority, and
73 operates in the Commonwealth. "Eligible employer" does not include any business that is owned or
74 controlled, directly or indirectly, by any publicly traded corporation or by any entity primarily engaged in
75 the acquisition, holding, or management of ownership interests in one or more businesses. For the purpose of
76 this definition, all entities under common ownership or control shall be treated as a single employer.

77 "Employee" means an employee of an eligible employer with an annual household income at or below
78 120 percent of the area median income (AMI) for the locality in which the employee's dwelling is located and
79 who has never owned or purchased under contract for deed, either individually or jointly, a single-family
80 residence in the Commonwealth or outside of the Commonwealth.

81 "Housing down payment assistance program" means a program (i) established and offered by an
82 employer to employees that provides housing down payment assistance to aid recruitment and retention; (ii)
83 that includes homeownership education; and (iii) that is approved by the Department, irrespective of whether
84 employees are required to contribute their own personal funding for housing down payment expenses. For
85 the purpose of this definition housing down payment assistance is limited to assistance for closing costs and
86 fees and any costs associated with a down payment or homeownership education.

87 "Program" means the Virginia Workforce Housing Assistance Program established in this section.

88 B. The Virginia Workforce Housing Assistance Program is hereby established to award grants to eligible
89 employers on a first-come, first-served basis from such funds as may be available for the purposes described
90 in subsection C. Grants shall be awarded in an amount to be established in the appropriation act, and the
91 Program shall be administered by the Department in coordination with the Authority.

92 C. 1. On and after July 1, 2026, the Department shall award grants from the Fund on a first-come, first-
93 served basis to eligible employers for the purpose of improving access to homeownership among Virginia's
94 workforce by offsetting employer housing expenses for closing costs and fees and any costs associated with a
95 down payment or homeownership education. The aggregate amount of grants payable under this section in
96 any fiscal year shall not exceed \$1.5 million. The Department shall establish an annual deadline for any
97 eligible employer to apply for a grant from the Fund and shall notify each applicant of an award or a denial
98 no later than 75 days after the application submission deadline.

99 2. Grants from the Fund shall be awarded in an amount equal to the lesser of 15 percent of housing down
100 payment assistance expenses incurred by an eligible employer during the fiscal year or \$25,000. In no event
101 shall an eligible employer be eligible for more than (i) \$150,000 in grants across all fiscal years or (ii)
102 \$250,000 across all fiscal years when such housing down payment assistance expenses are only incurred for
103 employees of an eligible employer who are working in a locality with a score of 100 or higher on the most
104 recent fiscal stress index, as published by the Department.

105 3. No eligible employer shall receive a grant pursuant to this subsection unless the eligible employer
106 incurs housing down payment assistance expenses in excess of \$10,000 during the fiscal year in which the
107 grants are applied for.

108 4. If the Department determines that a grant recipient is not in substantial compliance with the terms and
109 requirements of a grant provided under this subsection, the Department may revoke or suspend funding of
110 such grant, in whole or in part, or require repayment of grant funds. The Department may additionally
111 require prorated repayment of awarded funds if an employee voluntary separates from an eligible employer
112 within 18 months of receiving assistance under the Program with reasonable exceptions to repayment
113 including disability or death of the employee.

114 5. Grant awards shall be weighted according to the household income of participating employees, as
115 measured against the AMI for the locality in which the dwelling is located.

116 D. In administering the Program, the Department shall establish and publish guidelines and criteria for
117 grant awards in consultation with the Authority, including guidelines and criteria governing agreements
118 between the Department and grant recipients relating to the use of grant funds. The Department may
119 combine the Program with any other forms of housing down payment assistance or loans or grant programs
120 that support homeownership among Virginia's workforce.

121 *E. The Department, in consultation with the Authority, shall report annually, beginning November 1,*
122 *2027, to the Governor and the General Assembly a list of grants awarded, the amount of each approved*
123 *grant, and the effectiveness of such grants in supporting and enhancing Virginia's workforce and eligible*
124 *employer recruitment and retention efforts in the Commonwealth.*

125 *F. Nothing in this section shall limit, supersede, or preempt the authority granted to localities under*
126 *§ 15.2-958.2. The Department shall consult with localities to ensure complementary implementation of local*
127 *workforce housing programs.*

128 **2. That the provisions of this act shall expire on July 1, 2028.**

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