

**Department of Planning and Budget**  
**2026 General Assembly Session**  
**State Fiscal Impact Statement**

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**ORIGINAL**

**Bill Number:** HB143

**Patron:** Gardner

**Bill Title:** Surplus real property; prioritization of disposition for affordable and middle-income housing.

**Bill Summary:** Requires the Department of General Services 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 so determines, 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 chief administrative officer of each locality to prepare and maintain an inventory of all real property within its jurisdiction to which the locality holds fee simple title and that the locality has determined to be feasible for the development of affordable and middle-income 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 public or private entities, for the purpose of developing affordable and middle-income 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:** N/A

**Explanation:** The fiscal impact of this legislation is indeterminate.

**Fiscal Summary:** This legislation delegates affordable housing determinations to the Virginia Housing Development Authority, which receives no state appropriations.

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. Provided the requirements of the statute are met, the legislation permits the property sales for less than fair market value.

**Fiscal Analysis:** See fiscal summary.

**Other:** This bill is similar to HB1758S1 in the 2025 legislative session. However, this bill prioritizes middle-income housing in addition to affordable housing, while the former bill did not include middle-income housing under its provisions.