

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

services for the Authority. VRA cannot determine administrative costs to be recovered from the Fund, as this expenditure impact depends on the amount available for loans.

An amendment is required to capitalize the Fund created in this bill. As established, the Fund allows DHCD and VRA to recover administrative costs. DHCD anticipates that two program administrators and a program manager, anticipated to result in an expenditure of \$345,000 annually from the Fund, will be needed based on the similar, federally funded, Community Development Block Grant (CDBG) program. DHCD receives approximately \$17 million in CDBG funding from HUD each year to support housing rehabilitation, public infrastructure rehabilitation or deployment, community service facilities, and certain public services, all aimed at benefiting low- to moderate-income individuals or households. There is no set limit on how the \$17 million in CDBG funding is allocated across different uses, including public infrastructure, but public infrastructure projects are allowed up to \$2 million per project. The amount that supports public infrastructure varies from year to year, depending on each year's application pool. The agency anticipates that supervisory tasks for the new positions can be absorbed within existing resources.

Other: Section 36-140.5 proposed in the bill directs all money to be deposited in a local bank account, which contradicts the language that establishes the new Fund in the state Treasury. The Virginia Resources Authority is not part of the State's financial system, Cardinal. Additionally, one section of the bill language states that moneys in the Fund shall be used solely for the purpose of providing financial assistance to local governments but in another section of the bill language allows the Authority and DHCD to recover program administration costs from the Fund.