

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

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ORIGINAL

Bill Number: SB285

Patron: Aird

Bill Title: Urban Public-Private Partnership Redevelopment Fund; funding requirements; report.

Bill Summary: Revises the Urban Public-Private Partnership Redevelopment Fund by expanding the qualifying private entities available for partnership with a local government for the redevelopment of local sites, removing the existing \$500,000 grant cap for such local government, and eliminating the requirement that each grant be conditioned upon a 100 percent match of funds by the local government. The bill requires the Department of Housing and Community Development (DHCD), on or before December 1 of each year, to submit a report to the Secretary of Commerce and Trade, the Governor, and the Chairs of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations, including the number of projects funded and the costs of the Fund. In addition, the bill directs the Department to convene a work group to develop appropriate criteria and guidelines for the administration of the grant program established by the Fund, including for (i) how to prioritize awards for (a) localities experiencing an above average and high level of fiscal stress as designated by the Commission on Local Government and (b) localities experiencing a significant decrease in commercial real estate assessments and (ii) the amount and type of local match, including both requirements that consider monetary contributions and non-monetary contributions. The bill requires the work group to include representatives of the Department, the Virginia Association of Counties, the Virginia First Cities Coalition, the Virginia Municipal League, and the Virginia Economic Developers Association and to report its findings and recommendations to the General Assembly by November 1, 2026. Under current law, the Board of Housing and Community Development is directed to develop guidelines for administration of the Fund. Finally, the bill repeals the Housing Revitalization Zone Act.

Budget Amendment Necessary: YES, see
[explanation](#)

Items Impacted: 103 (DHCD)

Explanation: This bill involves DHCD. An amendment would be required to capitalize the Urban Public-Private Partnership Redevelopment Fund. Although the Fund exists in the state's financial system, the Fund currently has no balances.

Fiscal Summary: The impact of this bill to the general fund depends on the level at which the Fund is capitalized. The Fund allows for administrative costs incurred by DHCD.

Fiscal Impact: This fiscal impact estimate is preliminary. The bill makes modifications to the allowable uses of funds in the Urban Public-Private Partnership Redevelopment Fund, and repeals the Housing Revitalization Zone Act, which established the Housing Revitalization Zone Fund to support a grant program. Both Funds are dormant and not currently capitalized. An amendment is needed to operationalize the program and capitalize the Urban Public-Private Partnership Redevelopment Fund as modified by the bill. The bill allows the Fund to support administrative expenses by DHCD.

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The fiscal impact of this bill depends on the amount at which the Fund is capitalized. Based on work on similar programs, including the Industrial Revitalization Fund and Enterprise Zone programs, DHCD anticipates that up to three positions, consisting of one program supervisor and two program administrators, would be required to carry out program development, implementation, monitoring, work group coordination, and required reporting. DHCD estimates the ongoing cost of these positions and the work group to be approximately \$390,150 annually. Any funding tied to this bill may be allocated to Item 103 in the general appropriation act.

Other: None.