

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

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**ORIGINAL**

**Bill Number:** HB1057

**Patron:** Phillips

**Bill Title:** Department of Housing and Community Development; Virginia Rural Housing Infrastructure Fund and Program.

**Bill Summary:** Establishes the Virginia Rural Housing Infrastructure Fund and Program, to be administered by the Department of Housing and Community Development, for the purpose of financing infrastructure projects in rural communities associated with increased housing development within such communities. The bill directs the Department to develop criteria and guidelines for awarding grants under the Program.

**Budget Amendment Necessary:** Yes, to capitalize the Fund. See  
**Items Impacted:** Item 103, HB30/SB30  
Fiscal Analysis

**Explanation:** This bill involves the Departments of Housing and Community Development (DHCD) and Virginia Resources Authority (VRA), as well as localities. A budget amendment is required to capitalize the Fund, and depending on the magnitude of the capitalization, funding for one or more positions might be necessary.

**Fiscal Summary:** The fiscal impact of this bill is indeterminate, however, a general fund amendment is required to capitalize the Fund. The amount to capitalize the Fund is scalable, and depending on the size of the program, DHCD anticipates additional positions will be required to administer the program. The bill does not allow for the recovery of administrative expenses.

**Fiscal Analysis:** The bill establishes the Virginia Rural Housing Infrastructure Program and Fund and assigns DHCD responsibility for administering a new statewide infrastructure grant program for rural communities. The bill requires DHCD to develop program guidelines, review and approve applications, monitor funded projects, and oversee grant compliance.

Based on agency experience administering the federally funded Community Development Block Grant program, through which the department manages approximately \$17 million annually in housing and infrastructure-related activities, as a benchmark, DHCD anticipates additional program staff will be necessary to support the scope of work required under this bill. DHCD indicates that it does not currently administer a comparable state-funded rural infrastructure grant program and does not have existing staff capacity to absorb these responsibilities. To implement the new program, the agency estimates the potential need for a program manager, two program administrators, and related operating support, at an estimated cost of \$345,000 annually. These positions would support application review, grant awards, project monitoring, compliance activities, and coordination of infrastructure funding. Fewer positions might be needed if the program scope is not as large as the Community Development Block Grant program.

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The State Treasurer indicates that any responsibilities related to fund custody and disbursement can be absorbed within existing resources.

**Other:** None.