

Fiscal Analysis: This impact statement is preliminary. The bill creates a new mixed-income housing loan program and modifies mandatory allocation requirements within the Virginia Housing Trust Fund. These

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changes expand the scope of loan administration by introducing new eligibility criteria, affordability thresholds, loan caps, and conditional exceptions that require additional application review, underwriting coordination, and compliance monitoring. The bill also directs that a defined portion of Trust Fund moneys be used for the new loan purpose, requiring DHCD to ensure sufficient eligible projects are available each funding cycle to meet statutory allocation requirements. It is anticipated that this responsibility will increase administrative workload related to applicant development, technical assistance, and project structuring. Because DHCD administers the state Housing Trust Fund and federal Housing Trust Fund support and HOME programs, the revised allocation structure and new loan authority is anticipated to increase coordination and oversight demands across multiple funding sources. DHCD indicates that the additional workload cannot be absorbed within existing staff resources, necessitating one additional full-time position.

According to DHCD, the Affordable and Special Needs Housing (ASNH) program consists of 13 staff, including an associate director, and administers state and federal housing resources across multifamily grants, single-family grants, and program compliance. The team reviews approximately 200 applications annually across two funding rounds and deploys roughly \$155 million per year in housing assistance statewide. After projects are placed in service, loan servicing is handled by Virginia Housing, while ASNH staff retain responsibility for compliance monitoring over affordability periods ranging from 10 to 30 years, in addition to application review and multi-source funding coordination.

Virginia Housing is self-supporting and does not receive state appropriations.

Other: None.