

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

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ORIGINAL

**Bill Number:** HB820                            **Patron:** Helmer  
**Bill Title:** Virginia Housing Trust Fund; mixed-income development.

**Bill Summary:** Allows the Department of Housing and Community Development to use 20 percent of moneys in the Virginia Housing Trust Fund to provide loans to developers of mixed-income housing projects, as defined in the bill. The bill provides that the total amount of such a loan shall not exceed \$60,000 per housing unit contained in the mixed-income housing project. Further, the bill prohibits any loans being made that would exceed 25 percent of the total costs incurred in the development of such a project unless (i) the developer is a public entity or a nonprofit organization that secures at least 10 percent of the funding for the project from other sources; (ii) the developer reserves 80 percent of the housing units in the project for certain types of households described in the bill; (iii) the developer reserves 10 percent or more of the housing units for households earning 30 percent or less of the AMI for the locality in which the project is located; or (iv) for projects that receive a loan and also claim a housing opportunity tax credit in the same taxable year for the same project, the developer reserves 10 percent or more of the housing units in the development for households earning 30 percent or less of the AMI for the locality in which such project is located.

**Budget Amendment Necessary:** Yes                            **Items Impacted:** 102 (DHCD)

**Explanation:** This bill involves the Department of Housing and Community Development; a general fund budget amendment is required to implement the provisions of the bill.

**Fiscal Summary:** It is anticipated that the Department of Housing and Community Development (DHCD) will require additional general fund appropriation of \$111,000 annually and one position under Item 102, HB30/SB30, to implement this bill.

**General Fund Expenditure Impact:**

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
DHCD (165)		\$111,000	\$111,000	\$111,000	\$111,000	\$111,000
<b>TOTAL</b>		\$111,000	\$111,000	\$111,000	\$111,000	\$111,000

**Position Impact:**

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
DHCD (165)		1	1	1	1	1
<b>TOTAL</b>		1	1	1	1	1

**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.