

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

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REVISED

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: **No.** **Items Impacted:** **N/A**

Explanation: This bill involves the Department of Housing and Community Development (DHCD); however, no budget action is required. See Fiscal Analysis section, below.

Fiscal Summary: *This revised impact statement reflects the expenditure impact as nongeneral fund instead of general fund. It is anticipated that the bill will result in a nongeneral fund impact to DHCD, with administrative staffing costs supported through allowable expenditures in the Virginia Housing Trust Fund.*

Nongeneral Fund Expenditure Impact:

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

Position Impact:

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 Trust Fund administration by establishing detailed eligibility criteria, affordability thresholds, loan caps, and conditional exceptions that increase the complexity of application review, underwriting coordination, and long-term compliance monitoring. The bill also directs that a defined portion of Fund moneys be available for the new loan purpose, requiring DHCD to develop and maintain sufficient eligible projects each funding cycle to meet statutory allocation parameters. This is expected to increase administrative activity related to applicant development, technical assistance, project structuring, and compliance oversight.

Because DHCD administers the state Housing Trust Fund alongside federal Housing Trust Fund and HOME program resources, the revised allocation structure and new loan authority are expected to increase coordination and oversight demands across multiple funding sources, including ensuring consistency with differing affordability, financing, and compliance requirements. Administration of the new mixed-income loan program will require additional staffing and related administrative support. Pursuant to existing statute, reasonable administrative and legal costs associated with Trust Fund activities may be paid from Trust Fund moneys; however, use of Trust Fund resources for administration would reduce the amount available for program loans and grants.

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

Other: None.