

1 SENATE BILL NO. 490

2 AMENDMENT IN THE NATURE OF A SUBSTITUTE

3 (Proposed by the Senate Committee on General Laws and Technology

4 on _____)

5 (Patron Prior to Substitute—Senator VanValkenburg)

6 *A BILL to amend and reenact § 36-139.10 of the Code of Virginia and to amend the Code of Virginia by
7 adding in Title 36 a chapter numbered 13, consisting of sections numbered 36-176 and 36-177, relating to
8 Virginia Revolving Loan Fund for Housing established; report.*9 **Be it enacted by the General Assembly of Virginia:**10 **1. That § 36-139.10 of the Code of Virginia is amended and reenacted and that the Code of Virginia is
11 amended by adding in Title 36 a chapter numbered 13, consisting of sections numbered 36-176 and
12 36-177, as follows:**13 **§ 36-139.10. Department of Housing and Community Development consolidated report.**14 A. As used in this section, "consolidated report" means a report submitted by the Department pursuant to
15 this section in satisfaction of any reporting requirements of §§ 36-139, 36-139.6, 36-140.01, 36-142, 36-150,
16 36-177, and 59.1-546.17 B. Notwithstanding any other provision of law, the Department shall be deemed to have satisfied the
18 reporting requirements of §§ 36-139, 36-139.6, 36-140.01, 36-142, 36-150, 36-177, and 59.1-546 by
19 submitting a consolidated report to the Governor and the General Assembly no later than October 1 of each
20 year.21 C. Each year, the consolidated report shall include the reports required pursuant to §§ 36-139, 36-140.01,
22 36-142, 36-150, and 59.1-546 and subsection E.23 D. In even-numbered years, in addition to the requirements of subsection C, the consolidated report shall
24 also include the report required pursuant to § 36-139.6.25 E. The consolidated report shall include a report on the outcomes associated with closed projects that
26 received a grant from the Virginia Growth and Opportunity Fund as established by § 2.2-2487. This report
27 shall include itemized information that details the project name, the Regional Council, GO Virginia
28 investment type, GO Virginia strategy, program year, date of award, committed match, anticipated project
29 outcomes, and actual project outcomes. The Department shall utilize the information provided in this report
30 to create a public facing performance dashboard to be updated annually that includes individual projects
31 organized by region, total GO Virginia resources committed to the project, anticipated outcomes, and actual
32 outcomes submitted to the Department at the close of the project. This information shall further be

33 disaggregated by year and shall feature all projects receiving GO Virginia grants.

34 **CHAPTER 13.**

35 **VIRGINIA REVOLVING LOAN FUND FOR HOUSING.**

36 **§ 36-176. Definitions.**

37 *As used in this chapter, unless the context requires a different meaning:*

38 *"Department" means the Department of Housing and Community Development.*

39 *"Eligible entity" means an individual, joint venture, partnership, limited partnership, public body, trust,*
40 *firm, association, corporation, cooperative, or other legal entity or any combination thereof approved by the*
41 *Department as qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing*
42 *development, whether nonprofit or organized for limited profit, subject to the statutory authority of the*
43 *Department and other terms and conditions set forth in this chapter.*

44 *"Fund" means the Virginia Revolving Loan Fund for Housing.*

45 *"HDA" means the Virginia Housing Development Authority.*

46 *"Housing development" or "housing project" means any work or undertaking, whether new construction*
47 *or rehabilitation, that is designed and financed pursuant to the provisions of this chapter for the primary*
48 *purpose of providing sanitary, decent, and safe dwelling accommodations for persons and families of mixed*
49 *income in need of housing. "Housing development" or "housing project" includes any buildings, land,*
50 *equipment, facilities, or other real or personal properties that are necessary, convenient, or desirable*
51 *appurtenances, including streets, sewers, utilities, parks, site preparation, landscaping, and such offices and*
52 *other nonhousing facilities incidental to such development or project such as administrative, community,*
53 *health, educational, and recreational facilities as the Department determines to be necessary or*
54 *infrastructure needed for site development and readiness for such housing developments or projects.*

55 *"Housing development" or "housing project" includes low-to-moderate income units, which shall be defined*
56 *in the program guidelines developed by the Department.*

57 **§ 36-177. Virginia Revolving Loan Fund for Housing established.**

58 *A. There is hereby created in the state treasury a special permanent and nonreverting loan fund to be*
59 *known as the Virginia Revolving Loan Fund for Housing. The Fund shall be established on the books of the*
60 *Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other*
61 *funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on*
62 *moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund,*
63 *including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain*

64 *in the Fund. Expenditures and disbursements from the Fund shall be made by the State Treasurer on*
65 *warrants issued by the Comptroller upon written request signed by the Director of the Department.*

66 *B. The Department shall, in collaboration with HDA:*

67 *1. Provide loan origination and servicing activities as needed to carry out the purposes of the Fund. The*
68 *costs of such services shall be considered an eligible use of the Fund; and*

69 *2. Make lower-interest loans to eligible entities that incur costs in the acquisition, construction, or*
70 *improvement of a mixed-income housing project or for infrastructure needed for site development and*
71 *readiness for such housing developments or projects. Such loans shall be structured to maximize leveraging*
72 *opportunities. The Department shall determine the terms and conditions of any loan from the Fund, including*
73 *the interest rate and repayment terms of each loan. All such funds shall be repaid to the credit of the Fund.*

74 *Moneys required by the HDA to fund such loans and perform loan closing and disbursement services shall be*
75 *transferred from the Fund to the HDA.*

76 *C. The Fund shall be administered and managed by the Department in consultation with the HDA as*
77 *described in subsection B. To carry out the administration and management of the Fund, the Department*
78 *shall contract with or employ officers, employees, agents, advisors, and consultants, including attorneys,*
79 *financial advisors, public accountants, engineers, and other technical advisors and, notwithstanding the*
80 *provisions of any other law to the contrary, shall determine their duties and compensation without the*
81 *approval of any other agency or instrumentality. The Department may disburse from the Fund its reasonable*
82 *costs and expenses incurred in the administration and management of the Fund, including reasonable fees*
83 *and costs incurred by the HDA.*

84 *D. In any year prior to the expenditure of any general funds appropriated for the Fund for the next*
85 *succeeding fiscal year, the Department, in collaboration with the HDA, shall submit a report outlining the*
86 *proposed uses of such funds to the General Assembly. The report shall include the impact of the loans*
87 *awarded through the Fund, including (i) the number of affordable rental dwelling units repaired or newly*
88 *constructed, (ii) the number of individuals receiving down payments or closing cost assistance, (iii) the*
89 *progress and accomplishments in reducing homelessness achieved by the additional support provided*
90 *through the Fund, and (iv) the progress in expanding permanent supportive housing options. The report shall*
91 *be provided to the Chairs of the House Committee on Appropriations and the Senate Committee on Finance*
92 *and Appropriations no later than November 1 of each year.*

93 *E. The Department shall develop a loan structure, guidelines, and other materials to facilitate the Fund in*
94 *collaboration with the HDA. The Department may consider loan cap amounts, whether the loan is a*

95 percentage of the total cost of a housing project, income limits for affordable housing portions of a housing
96 project, and other considerations to structure the loans.

97 **2. That the provisions of this act shall become effective on January 1, 2027.**