

Under the provisions of the bill, DHCD is responsible for establishing program guidelines, designating grants and loans, determining loan terms and conditions, coordinating with VRA for financial viability and feasibility review of proposed loans, and administering and monitoring Program awards. Based on the pilot nature of the Program, its limited geographic scope, and the requirement for financial viability and feasibility analyses for proposed loans, DHCD estimates that Program administration would require one Program Manager, at an estimated annual cost of approximately \$163,000, including salary, benefits, and related administrative costs.

Department of Planning and Budget
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State Fiscal Impact Statement

Although DHCD administers federally funded Community Development Block Grant infrastructure programs, the Program includes statutory reporting requirements, loan administration responsibilities, and coordination with VRA that would necessitate dedicated staffing.

VRA cannot determine administrative costs to be recovered from Program moneys at this time, as the expenditure impact depends on the volume of loan applications requiring financial viability and feasibility review and the level of funding appropriated for the Program.

The bill may result in an increase in General Fund revenues from repayments of loans made to local governments under the Virginia Residential Development Infrastructure Pilot Program. Loan repayments, including principal and interest, are required to be deposited into the general fund upon receipt and are not retained for reuse by the Program.

The magnitude and timing of any general fund revenue increase are indeterminate and depend on the extent to which loans are issued under the Program, the terms of those loans, and repayment performance by participating local governments.

Other: None.