

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

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ORIGINAL

Bill Number: SB490S1

Patron: VanValkenburg

Bill Title: Virginia Housing Trust Fund; loans for the construction of mixed-income housing developments.

Bill Summary: Establishes the Virginia Housing Revolving Loan Fund (the Fund) to provide lower-interest loans for mixed-income housing developments and related site and infrastructure improvements. The bill assigns the Department of Housing and Community Development (DHCD) responsibility for administering and managing the Fund in collaboration with the Virginia Housing Development Authority, authorizes the use of fund moneys for loan origination, servicing, and reasonable administrative costs, requires the development of program guidelines, and mandates an annual report to the General Assembly on fund activity and project outcomes. The bill also modifies the DHCD's existing annual reporting framework to allow the required Fund report and certain other housing-related reports to be submitted through a single consolidated annual report. The bill is effective January 1, 2027.

Fiscal Summary: An amendment is required to capitalize the Fund created in this bill; DHCD did not provide an

Budget Amendment Necessary: **Yes, to capitalize** **Items Impacted:** **Item 103, HB30/SB30 the Fund.**

Explanation: This bill involves the Departments of Housing and Community Development (DHCD) and Virginia Resources Authority (VRA), as well as localities. A budget amendment is required to capitalize the Fund.

estimate of the amount of funding required to capitalize Fund establishing the program. Depending on the amount of funding used to capitalize the Fund and size of the program, DHCD anticipates requiring one position at an annual cost of \$131,000. The bill allows DHCD to recover administrative costs from the Fund.

Fiscal Analysis: This fiscal impact statement is preliminary. The provisions of this bill require the establishment of the Virginia Housing Revolving Loan Fund. The bill assigns DHCD responsibility for administration and management of the Fund, including coordination of loan origination and servicing activities, ongoing monitoring of loans, and preparation of the required annual report.

An amendment is required to capitalize the Fund created in this bill. As established, the Fund allows DHCD to pay reasonable administrative costs incurred in administering and managing the program. If the fund is capitalized, DHCD anticipates the need for one program administrator position and associated operating costs to support development of program guidelines, coordination on underwriting and servicing activities, ongoing review and monitoring of loans, and preparation of the annual report. DHCD estimates these administrative costs at approximately \$131,000 annually. If the Fund is capitalized at a higher level, additional staffing and administrative costs may be necessary and would be paid from the Fund as authorized by the bill.

The Virginia Housing Development Authority is a political subdivision; no fiscal impact is anticipated.

Other: SB490S1 and HB820H1 are companions.