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SENATE BILL NO. 490**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Appropriations
on February 25, 2026)

(Patron Prior to Substitute—Senate VanValkenburg)

A *BILL to amend and reenact § 36-139.10 of the Code of Virginia and to amend the Code of Virginia by adding in Title 36 a chapter numbered 13, consisting of a section numbered 36-176, relating to Virginia Housing Revolving Loan Fund established; report.*

Be it enacted by the General Assembly of Virginia:

1. That § 36-139.10 of the Code of Virginia is amended and reenacted and the Code of Virginia is amended by adding in Title 36 a chapter numbered 13, consisting of a section numbered 36-176, as follows:

§ 36-139.10. Department of Housing and Community Development consolidated report.

A. As used in this section, "consolidated report" means a report submitted by the Department pursuant to this section in satisfaction of any reporting requirements of §§ 36-139, 36-139.6, 36-140.01, 36-142, 36-150, 36-176, and 59.1-546.

B. Notwithstanding any other provision of law, the Department shall be deemed to have satisfied the reporting requirements of §§ 36-139, 36-139.6, 36-140.01, 36-142, 36-150, and 59.1-546 by submitting a consolidated report to the Governor and the General Assembly no later than October 1 of each year.

C. Each year, the consolidated report shall include the reports required pursuant to §§ 36-139, 36-140.01, 36-142, 36-150, 36-176, and 59.1-546 and subsection E.

D. In even-numbered years, in addition to the requirements of subsection C, the consolidated report shall also include the report required pursuant to § 36-139.6.

E. The consolidated report shall include a report on the outcomes associated with closed projects that received a grant from the Virginia Growth and Opportunity Fund as established by § 2.2-2487. This report shall include itemized information that details the project name, the Regional Council, GO Virginia investment type, GO Virginia strategy, program year, date of award, committed match, anticipated project outcomes, and actual project outcomes. The Department shall utilize the information provided in this report to create a public facing performance dashboard to be updated annually that includes individual projects organized by region, total GO Virginia resources committed to the project, anticipated outcomes, and actual outcomes submitted to the Department at the close of the project. This information shall further be disaggregated by year and shall feature all projects receiving GO Virginia grants.

*CHAPTER 13.**VIRGINIA HOUSING REVOLVING LOAN FUND.***§ 36-176. Virginia Housing Revolving Loan Fund; administration; report.**

A. As used in this section:

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

"Eligible entity" means individuals, joint ventures, partnerships, limited partnerships, public bodies, trusts, firms, associations, corporations, cooperatives and condominiums, or other legal entities, or any combination thereof, approved by the Department as qualified either to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development, whether nonprofit or organized for limited profit, subject to the statutory authority of the Department and other terms and conditions set forth in this chapter.

"Fund" means the Virginia Housing Revolving Loan Fund created by this chapter.

"HDA" means the Virginia Housing Development Authority created in Chapter 1.2 (§ 36-55.24 et seq.).

"Housing project" means any construction or rehabilitation of a property containing both low-to-moderate income residential dwelling units and market rate residential dwelling units that is designed and financed pursuant to the provisions of this chapter for the primary purpose of providing sanitary, decent, and safe dwelling accommodations for persons and families of mixed income in need of housing. "Housing project" may include site preparation activities, including improvements to streets, sewers, utilities, and other such public infrastructure improvements necessary to accommodate the housing project.

B. There is hereby established in the state treasury a special permanent, nonreverting loan fund to be known as the Virginia Housing Revolving Loan Fund. The Fund shall be established on the books of the Comptroller. All sums appropriated for such purpose, all receipts to the Fund from loans made by it to eligible entities, and any other sums designated for deposit to the Fund from any source, public or private, shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. The Fund shall also consist of such other sums as may be made available to it and shall include federal grants solicited and received for the specific purposes of the Fund. Any sums remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of (i)

60 making lower-interest loans to eligible entities that incur costs in the acquisition, construction, or
61 improvement of mixed-income housing projects or for infrastructure needed for site development and
62 readiness for housing projects, (ii) loan origination and servicing costs, and (iii) administration costs.

63 C. The Department shall work in collaboration with the HDA to provide loan origination and servicing
64 activities as needed to carry out the purposes of the Fund. The costs of such services shall be considered an
65 eligible use of the Fund. The Department shall also, through the HDA, make lower-interest loans to eligible
66 entities that incur costs in the acquisition, construction, or improvement of mixed-income housing projects or
67 for infrastructure needed for site development and readiness for housing projects. Such loans shall be
68 structured to maximize leveraging opportunities. The HDA, in consultation with the Department, shall
69 determine the terms and conditions of any loan from the Fund, including the interest rate and repayment
70 terms of each such loan. All such loans shall be repaid to the credit of the Fund. Moneys required by the
71 HDA to fund such loans and perform loan closing and disbursement services shall be transferred from the
72 Fund to the HDA.

73 D. The Fund shall be administered and managed by the Department in consultation with the HDA as
74 prescribed in this chapter. In order to carry out the administration and management of the Fund, the
75 Department is granted the power to contract with or employ officers, employees, agents, advisors, and
76 consultants, including, without limitation, attorneys, financial advisors, public accountants, engineers, and
77 other technical advisors, and, the provisions of any other law to the contrary notwithstanding, to determine
78 their duties and compensation without the approval of any other agency or instrumentality. The Department
79 may disburse from the Fund its reasonable costs and expenses incurred in the administration and
80 management of the Fund, including reasonable fees and costs of the HDA.

81 E. On or before November 1 of each year, the Department and the HDA shall report to the General
82 Assembly on (i) the total number of awards, including funding amounts, made from the Fund; (ii) the purpose
83 for which each loan was made; (iii) the financing for each housing project by source; (iv) the number of units
84 created by income by housing project; (v) the number of units created by rent by housing project; (vi) the
85 occupancy rate by housing project; and (vii) any other such information deemed appropriate by the
86 Department and the HDA.

87 F. The Department shall develop, in consultation with the HDA, guidelines and other materials to
88 facilitate the Fund. The Department, in consultation with the HDA, shall define "low income," "moderate
89 income," "mixed income," and "mixed-income housing project" in developing such guidelines. The
90 Department may consider loan cap amounts, loan percentage of total cost of the housing project, income
91 limits for the affordable housing portion of a housing project, and other considerations to structure the loans
92 from the Fund.

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