

Department of Planning and Budget
2004 Fiscal Impact Statement

1. Bill Number HB825

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron Drake

3. Committee Passed Both Houses

4. Title Virginia Housing Development Authority; financing of certain mixed-income and mixed-use buildings

5. Summary/Purpose: The bill allows the Virginia Housing Development Authority to finance mixed-income and mixed-use housing developments in revitalization areas designated by local governments if (i) the surrounding area is predominantly of lower income or (ii) the Authority's ability to provide the low and moderate income housing will be enhanced by having a portion of the units occupied by persons and families who are not of low or moderate income. The bill limits the percentage of persons or families who are not of low and moderate income in any economically mixed project to 80 percent and provides that nonhousing buildings may not be financed by the Authority unless a certification is provided by the housing sponsor that a mortgage loan is not otherwise available from private lenders upon reasonably equivalent terms and conditions.

6. Fiscal Impact Estimates are not available: SEE ITEM 8.

7. Budget amendment necessary: No.

8. Fiscal implications: The bill has no fiscal impact on the state budget, since the Virginia Housing Development Authority receives no state appropriations. The fiscal impact on the Virginia Housing Development Authority cannot be determined. While the authority expects that several multi-family projects will likely result from this bill, it is not known to what extent that such projects will be proposed to the authority for financing. Local governments through the designation of revitalization zones may increase the demand for multi-family loans to help finance residential development since nonhousing facilities that go along with such redevelopment could now be financed through the authority. However, the extent of such demand for new multi-family loans cannot be estimated. The authority does have sufficient staff to handle an increase in workload for new loans, but if the demand becomes too great it may have to reevaluate its staffing needs.

9. Specific agency or political subdivisions affected: Virginia Housing Development Authority.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 03/2/04 / mst

Document: G:\Ga Sessions\2004 Session\Fis\Hb825ER.Doc

cc: Secretary of Commerce and Trade