

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number SB1055

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron Whipple

3. Committee Appropriations

4. Title Virginia Housing Partnership Trust Fund; dedicating revenues

5. Summary/Purpose: The bill provides for 10 percent of any unreserved general fund balance at the close of each fiscal year whose reappropriation is not required in the general appropriation act and 10 percent of the annual general fund revenue collections that are in excess of the official estimates in the general appropriation act, unless otherwise provided in the general appropriation act, to be deposited to the Virginia Housing Trust Fund. Twenty-five percent of the money deposited to the Fund will be used to provide matching funds for localities that have both established a local housing fund for affordable housing programs and projects and are supporting that fund on an ongoing basis with local revenues. The Department of Housing and Community Development (DHCD), with assistance from an advisory committee, is tasked with establishing criteria for the disbursement of the matching funds and reporting on their allocation. The bill also expands the programs or projects that will be eligible for a grant from the Fund to include innovative housing projects and low and moderate housing projects that are located in areas experiencing extreme shortages of such housing and rural affordable housing initiatives. It also renames the Virginia Housing Partnership Revolving Fund the Virginia Housing Trust Fund.

6. Fiscal Impact Estimates are: Not available. See item 8, below.

7. Budget amendment necessary: Yes. Item 109.

8. Fiscal implications: The amount of the potential deposit to the Fund is unknown. It is not possible to estimate the extent to which general fund revenue collections may exceed the official forecast or the amount of any general fund year-end balance that may be available for transfer to the Virginia Housing Trust Fund. The deposits provided for in the bill mirror those currently provided for in the Code for the Water Quality Improvement Fund (WQIF). Based on recent deposits to WQIF from these sources, had this bill been in effect in past fiscal years, \$5.4 million would have been deposited to the Fund based on FY 2006 excess revenues and general fund balances. No deposit would have been made based on FY 2007 revenues, and \$1.6 million would be deposited based on FY 2008 revenues and general fund balances. Any monies deposited to the Fund would need to be appropriated to DHCD. The monies would be transferred to the Virginia Housing Development Authority (VHDA) for various loans and grants. VHDA administers the Fund.

The bill would have an expenditure impact for DHCD. This would include costs associated with the development of revised grant eligibility requirements, as mandated by the proposed legislation, as well as ongoing administrative costs associated with processing applications and ongoing assurances.

Section 36-142, Code of Virginia, currently allows the recovery of reasonable expenses incurred in the administration and management of the Fund.

9. Specific agency or political subdivisions affected: Department of Housing and Community Development, Virginia Housing Development Authority, and the Department of Taxation.

10. Technical amendment necessary: No. .

11. Other comments: None.

Date: 01/20/09/tmw

Document: G:\2009 Session\Legislation\Fiscal Impact Statements\Sb1055e.Doc

cc: Secretary of Commerce and Trade