

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB790

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

2. Patron: Lopez

3. Committee: General Laws

4. Title: Virginia Housing Partnership Revolving Fund.

5. Summary: Renames the Virginia Housing Partnership Revolving Fund to the Virginia Housing Trust Fund. The bill provides that 20 percent of the moneys deposited in the Fund in any fiscal year shall be used by the Department of Housing and Community Development (DHCD) for grants for the construction of new or rehabilitation of existing housing units, rental assistance to individuals and families experiencing homelessness, and other appropriate assistance to facilitate the achievement of housing stability. Under the bill, moneys in the Fund are derived from 10 percent of the annual general fund revenue collections that are in excess of the official estimates in the general appropriation act and 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. The Fund also consists of such other sums as may be made available to it from any other source, public or private, and shall include federal grants solicited and received for the specific purposes of the Fund. The bill contains technical amendments.

6. Budget Amendment Necessary: Yes. Item 108.

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

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 are similar to 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, no deposit would have been made in FY 2010, \$36.1 million would have been deposited in FY 2011, and \$50.3 million would have been deposited in FY 2012. 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:** HB1100 and HB121 establish the Virginia Housing Trust Fund and the Virginia Housing Trust Fund Authority to administer the fund.

Date: 1/25/12

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