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**HOUSE BILL NO. 1132**

Offered January 13, 2014

*A BILL to amend and reenact §§ 2.2-1514, as it is currently effective and as it may become effective, and 36-142 of the Code of Virginia, relating to the Virginia Housing Trust Fund.*

Patrons—Lopez and Kory

Referred to Committee on Appropriations

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 2.2-1514, as it currently effective and as it may become effective, and 36-142 of the Code of Virginia are amended and reenacted as follows:**

**§ 2.2-1514. (Contingent expiration date) Assignment of general fund for nonrecurring expenditures.**

A. As used in this section:

"The Budget Bill" means the "The Budget Bill" submitted pursuant to § 2.2-1509, including any amendments to a general appropriation act pursuant to such section.

"Nonrecurring expenditures" means the acquisition or construction of capital outlay projects as defined in § 2.2-1518, the acquisition or construction of capital improvements, the acquisition of land, the acquisition of equipment, or other expenditures of a one-time nature as specified in the general appropriation act.

B. At the end of each fiscal year, the Comptroller shall assign within his annual report pursuant to § 2.2-813 as follows: 67 percent of the remaining amount of the general fund balance that is not otherwise restricted, committed, or assigned for other usage within the general fund shall be assigned by the Comptroller for deposit into the Transportation Trust Fund or a subfund thereof, and the remaining amount shall be assigned for nonrecurring expenditures. No such assignment shall be made unless the full amounts required for other restrictions, commitments, or assignments including but not limited to (i) the Revenue Stabilization Fund deposit pursuant to § 2.2-1829, (ii) the Virginia Water Quality Improvement Fund deposit pursuant to § 10.1-2128, but excluding any deposits provided under the Virginia Natural Resources Commitment Fund established under § 10.1-2128.1, (iii) capital outlay reappropriations pursuant to the general appropriation act, (iv)(a) operating expense reappropriations pursuant to the general appropriation act, and (b) reappropriations of unexpended appropriations to certain public institutions of higher education pursuant to § 2.2-5005, (v) pro rata rebate payments to certain public institutions of higher education pursuant to § 2.2-5005, (vi) the unappropriated balance anticipated in the general appropriation act for the end of such fiscal year, ~~and~~ (vii) interest payments on deposits of certain public institutions of higher education pursuant to § 2.2-5005, *and (viii) the Virginia Housing Trust Fund deposit pursuant to § 36-142* are set aside. The Comptroller shall set aside amounts required for clauses (iv)(b), (v), and (vii) beginning with the initial fiscal year as determined under § 2.2-5005 and for all fiscal years thereafter.

C. The Governor shall include in "The Budget Bill" pursuant to § 2.2-1509 recommended appropriations from the general fund or recommended amendments to general fund appropriations in the general appropriation act in effect at that time an amount for deposit into the Transportation Trust Fund or a subfund thereof, and an amount for nonrecurring expenditures equal to the amounts assigned by the Comptroller for such purposes pursuant to the provisions of subsection B. Such deposit to the Transportation Trust Fund or a subfund thereof shall not preclude the appropriation of additional amounts from the general fund for transportation purposes.

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59 amount shall be assigned for nonrecurring expenditures. No such assignment shall be made unless the  
60 full amounts required for other restrictions, commitments, or assignments including but not limited to (i)  
61 the Revenue Stabilization Fund deposit pursuant to § 2.2-1829, (ii) the Virginia Water Quality  
62 Improvement Fund deposit pursuant to § 10.1-2128, but excluding any deposits provided under the  
63 Virginia Natural Resources Commitment Fund established under § 10.1-2128.1, (iii) capital outlay  
64 reappropriations pursuant to the general appropriation act, (iv) (a) operating expense reappropriations  
65 pursuant to the general appropriation act, and (b) reappropriations of unexpended appropriations to  
66 certain public institutions of higher education pursuant to § 2.2-5005, (v) pro rata rebate payments to  
67 certain public institutions of higher education pursuant to § 2.2-5005, (vi) the unappropriated balance  
68 anticipated in the general appropriation act for the end of such fiscal year, ~~and~~ (vii) interest payments on  
69 deposits of certain public institutions of higher education pursuant to § 2.2-5005, *and (viii) the Virginia*  
70 *Housing Trust Fund deposit pursuant to § 36-142* are set aside. The Comptroller shall set aside amounts  
71 required for clauses (iv) (b), (v), and (vii) beginning with the initial fiscal year as determined under  
72 § 2.2-5005 and for all fiscal years thereafter.

73 C. The Governor shall include in "The Budget Bill" pursuant to § 2.2-1509 recommended  
74 appropriations from the general fund or recommended amendments to general fund appropriations in the  
75 general appropriation act in effect at that time an amount for deposit into the Transportation Trust Fund  
76 or a subfund thereof, and an amount for nonrecurring expenditures equal to the amount assigned by the  
77 Comptroller for such purpose pursuant to the provisions of subsection B. Such deposit to the  
78 Transportation Trust Fund or a subfund thereof shall not preclude the appropriation of additional  
79 amounts from the general fund for transportation purposes.

80 **§ 36-142. Creation and management of Fund.**

81 A. There is hereby established in the state treasury a special permanent, nonreverting fund, to be  
82 known as the "Virginia Housing Trust Fund." The Fund shall be established on the books of the  
83 Comptroller and consist of sums appropriated to the Fund by the General Assembly, *which shall*  
84 *include, unless otherwise provided in the general appropriation act, two percent of the annual general*  
85 *fund revenue collections that are in excess of the official estimates in the general appropriation act and*  
86 *two percent of any unrestricted and uncommitted general fund balance at the close of each fiscal year*  
87 *whose reappropriation is not required in the general appropriation act, but not to exceed \$10 million in*  
88 *any fiscal year. The Fund shall also consist of all receipts by the Fund from loans made by it to*  
89 *housing sponsors and persons and families of low and moderate income, all income from the investment*  
90 *of moneys held in the Fund, and any other sums designated for deposit to the Fund from any source,*  
91 *public or private. The Fund shall also consist of such other sums as may be made available to it and*  
92 *shall include federal grants solicited and received for the specific purposes of the Fund and all interest*  
93 *and income from investment of the Fund. Any sums remaining in the Fund, including interest thereon,*  
94 *at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. All*  
95 *moneys designated for the Fund shall be paid into the state treasury and credited to the Fund.*

96 B. The Department shall:

97 1. Work in collaboration with the HDA to provide loan origination and servicing activities as needed  
98 to carry out the purposes of the Fund. The costs of such services shall be considered an eligible use of  
99 the Fund; and

100 2. Use, through HDA, at least 80 percent of the moneys from the Fund to provide flexible financing  
101 for low-interest loans through eligible organizations. Such loans shall be structured to maximize  
102 leveraging opportunities. All such funds shall be repaid to the credit of the Fund. Loans may be  
103 provided for (i) affordable rental housing to include new construction, rehabilitation, repair, or  
104 acquisition of housing to assist low or moderate income citizens, including land and land improvements;  
105 (ii) down payment and closing cost assistance for homebuyers; and (iii) short-term, medium-term, and  
106 long-term loans to reduce the cost of homeownership and rental housing. Moneys required by the HDA  
107 to fund such loans and perform loan closing and disbursement services shall be transferred from the  
108 Fund to the HDA.

109 The Department may use up to 20 percent of the moneys from the Fund to provide grants through  
110 eligible organizations for targeted efforts to reduce homelessness, including (a) temporary rental  
111 assistance, not to exceed one year; (b) housing stabilization services in permanent supportive housing for  
112 homeless individuals and homeless families; (c) mortgage foreclosure counseling targeted at localities  
113 with the highest incidence of foreclosure activity; and (d) predevelopment assistance for permanent  
114 supportive housing and other long-term housing options for the homeless.

115 C. The Fund shall be administered and managed by the Department as prescribed in this chapter. In  
116 order to carry out the administration and management of the Fund, the Department is granted the power  
117 to contract with or employ officers, employees, agents, advisers and consultants, including, without  
118 limitation, attorneys, financial advisers, public accountants, engineers and other technical advisers and,  
119 the provisions of any other law to the contrary notwithstanding, to determine their duties and  
120 compensation without the approval of any other agency or instrumentality. The Department may disburse

from the Fund its reasonable costs and expenses incurred in the administration and management of the Fund, including reasonable fees and costs of the HDA.

D. For the purposes of this section, eligible organizations include (i) localities, (ii) local government housing authorities, (iii) regional and statewide housing assistance organizations that provide assistance to low and moderate income or low income citizens of Virginia, and (iv) limited liability companies expressly created for the purpose of owning and operating affordable housing.

E. In any year prior to the expenditure of any general funds appropriated for the Fund for the next succeeding fiscal year, the Department, in conjunction with HDA, shall submit a plan outlining the proposed uses of such funds to the General Assembly. The plan shall be provided to the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance no later than November 1 of each year.