2006 Special Session I

Budget Bill - HB5002 (Chapter 3)

Department of Housing and Community Development

Item 104	First Year - FY2007	Second Year - FY2008
Community Development Services (53300)	**$39,596,190**	**$37,621,190**
Community Development and Revitalization (53301)	$5,319,003	$5,319,003
Financial Assistance for Regional Cooperation (53303)	$3,051,849	$3,051,849
Financial Assistance for Community Development (53305)	$31,225,338	$29,250,338
Fund Sources:		
General	$14,274,064	$12,299,064
Special	$152,012	$152,012
Federal Trust	$25,170,114	$25,170,114

Authority: Title 15.2, Chapter 13, Article 3 and Chapter 42; Title 36, Chapters 8, 10 and 11; and Title 59.1, Chapter 22, Code of Virginia.

A. This appropriation includes annual membership dues to the Appalachian Regional Commission, $128,091 the first year and $128,091 the second year, from the general fund. These dues are payable from the amounts for Community Development and Revitalization.

B.1. Out of the amounts provided to the Department shall be provided $2,880,000 the first year and $2,880,000 the second year from the general fund for the Indoor Plumbing Program. In addition, an annual allocation of federal dollars will be made available to this program dependent upon the level of federal support each year. Any unexpended balance in this program at the close of business on June 30, 2007, and June 30, 2008, shall not revert to the general fund, but shall be carried forward and reappropriated.

2. The Department and local program administrators shall make every reasonable effort to provide participants basic financial counseling to enhance their ability to benefit from the Indoor Plumbing Program and to foster their movement to economic self-sufficiency.

C. Out of the amounts for Community Development Services shall be paid from the general fund in four equal quarterly installments each year:

1. To the Lenowisco Planning District Commission, $128,610 the first year and $128,610 the second year, which includes $38,610 the first year and $38,610 the second year for responsibilities originally undertaken and continued pursuant to § 15.2-4207, Code of Virginia, and the Virginia Coalfield Economic Development Authority.

2. To the Cumberland Plateau Planning District Commission, $132,390 the first year and $132,390 the second year, which includes $42,390 the first year and $42,390 the second year for responsibilities originally undertaken and continued pursuant to § 15.2-4207, Code of Virginia, and the Virginia Coalfield Economic Development Authority.

3. To the Mount Rogers Planning District Commission, $90,000 the first year and $90,000 the second year.

4. To the New River Valley Planning District Commission, $90,000 the first year and $90,000 the second year.

5. To the Roanoke Valley-Alleghany Regional Commission, $90,000 the first year and $90,000 the second year.

6. To the Central Shenandoah Planning District Commission, $90,000 the first year and $90,000 the second year.

7. To the Northern Shenandoah Valley Regional Commission, $90,000 the first year and $90,000 the second year.

8. To the Northern Virginia Regional Commission, $303,499 the first year and $303,499 the second year.

9. To the Rappahannock-Rapidan Regional Commission, $90,000 the first year and $90,000 the second year.

10. To the Thomas Jefferson Planning District Commission, $90,000 the first year and $90,000 the second year.

11. To the Region 2000 Regional Commission, $90,000 the first year and $90,000 the second year.

12. To the West Piedmont Planning District Commission, $90,000 the first year and $90,000 the second year.

13. To the Southside Planning District Commission, $90,000 the first year and $90,000 the second year.

14. To the Piedmont Planning District Commission, $90,000 the first year and $90,000 the second year.

15. To the Richmond Regional Planning District Commission, $165,277 the first year and $165,277 the second year.

16. To the RADCO Planning District Commission, $90,000 the first year and $90,000 the second year.

17. To the Northern Neck Planning District Commission, $90,000 the first year and $90,000 the second year.

18. To the Middle Peninsula Planning District Commission, $90,000 the first year and $90,000 the second year.

19. To the Crater Planning District Commission, $90,000 the first year and $90,000 the second year.

20. To the Accomack-Northampton Planning District Commission, $90,000 the first year and $90,000 the second year.

21. To the Hampton Roads Planning District Commission $293,995 the first year, and $293,995 the second year.

D. Out of the amounts provided to the Department shall be provided $1,563,112 the first year and $1,563,112 the second year from the general fund for the Southeast Rural Community Assistance Project (formerly known as the Virginia Water Project) operating costs and water and wastewater grants. The Department shall disburse the total payment each year in twelve equal monthly installments.

E. Any remaining balances in the Virginia Enterprise Initiative shall not revert to the general fund, but shall be carried forward and reappropriated.

F. Any unexpended balance in the Industrial Site Development Fund at the close of business on June 30, 2007, and June 30, 2008, shall not revert to the general fund, but shall be carried forward and reappropriated.

G.1. Out of the amounts in this Item shall be provided $100,000 the first year and $100,000 the second year from

the general fund for the Center for Rural Virginia. The department shall report periodically to the Chairmen of the Senate Finance and House Appropriations Committees on the status, needs and accomplishments of the Center.

2. As part of its mission, the Center for Rural Virginia shall monitor the implementation of the budget initiatives approved by the 2005 Session of the General Assembly for rural Virginia and shall report periodically to the Chairmen of the Senate Finance and House Appropriations Committees on the effectiveness of these various programs in addressing rural economic development problems. Any unexpended balance for the Center for Rural Virginia at the close of business on June 30, 2007, and June 30, 2008, shall not revert to the general fund but shall be carried forward and reappropriated.

H. The amount appropriated in Item 111, paragraph J of Chapter 951 of the Acts of Assembly of 2005 to pay the capital costs for safe drinking water and wastewater treatment in the Lenowisco, Cumberland Plateau, or Mount Rogers planning districts shall be leveraged with other state moneys, federal grants or loans, local contributions, and private or nonprofit resources. Any unexpended balance in the Item for this purpose on June 30, 2007, and June 30, 2008, shall not revert to the general fund but shall be carried forward, reappropriated, and allotted.

I.1. Out of the amounts for Community Development Services shall be provided $200,000 the first year and $200,000 the second year from the general fund to support a community development financial institution to provide business and housing loans in distressed communities and to distressed populations.

2. The Director, Department of Housing and Community Development, and another appointee of the Governor shall serve as members of the board of directors of the community development financial institution.

J. Out of the amounts for Community Development Services shall be provided $100,000 the first year and $100,000 the second year from the general fund to support increased access to New Market tax credits, a federal program designed to stimulate private investment in distressed communities. The Department of Housing and Community Development will provide targeted assistance to organizations pursuing credit allocations; to communities that have eligible development activities; and to businesses and developers of community development projects for the purpose of increasing the number of Virginia organizations receiving allocations from the federal government and the projects in distressed communities that are able to use tax credits as part of their financing packages.

K. Any unexpended balances on June 30, 2006, June 30, 2007 and June 30, 2008 from the amount appropriated in Item 112.10, paragraph D of Chapter 951 of the Acts of Assembly of 2005 for two regional consortium grants to support specifically identified current and future workforce training needs of existing businesses in distressed regions of the state shall not revert to the general fund but shall be carried forward and reappropriated.

L. Any unexpended balances on June 30, 2006, June 30, 2007, and June 30, 2008 from amounts appropriated in Item 112.10, paragraph F and Item 506, paragraph V of Chapter 951 of the Acts of Assembly of 2005 to develop regional artisan centers shall not revert to the general fund but shall be carried forward and reappropriated.

M. Out of the amounts for Community Development Services shall be provided $75,000 the first year and $75,000 the second year from the general fund to support The Crooked Road: Virginia's Heritage Music Trail.

N. Out of the amounts for Community Development Services shall be provided $660,000 the first year and $1,160,000 the second year from the general fund to support the creation of industry-focused regional research and development centers. Funds shall be used to provide grants to two communities, which may include but are not limited to, Hopewell and Lynchburg, which will partner with a higher education institution in the development of the regional research and development centers. These centers will support existing industry clusters by providing research on product and process development and enhancements.

O.1. Out of the amounts for Community Development Services shall be provided $2,100,000 the first year and $500,000 the second year from the general fund for efforts to expand rural access to broadband technology. Of this

amount, $1,400,000 the first year shall be used to fund the costs for engineering and permitting related to expansion of a broadband network to the Eastern Shore and other rural Tidewater areas in the Northern Neck and Middle Peninsula; $500,000 in each year shall be used to fund feasibility studies of best last-mile solutions for other rural areas; and $200,000 the first year shall be used to support the extension of broadband infrastructure from the Crossroads Institute in the City of Galax to business and customer locations in Carroll and Grayson Counties, the City of Galax, and the Town of Independence. It is the intent of the General Assembly that the Crossroads Institute and the Virginia Employment Commission enter into a Memorandum of Understanding regarding the location of a local Virginia Employment Commission office in the Crossroads Institute facility. The Department of Housing and Community Development shall develop appropriate criteria and guidelines for the use of the funding provided in this paragraph. Such criteria and guidelines shall include requirements for local matches and shall give a high priority to localities with fiscal stress greater than the statewide average and localities where there are no available commercial providers. Of the total funding provided, the department is authorized to use up to $25,000 the first year and $25,000 the second year for administrative expenses related to this initiative.

2. Out of the amounts provided to fund feasibility studies of best last-mile solutions for rural areas, $100,000 the first year shall be made available to study broadband telecommunication services in the region covering Planning District #7, Planning District #6, Planning District #10, and the Counties of Orange, Madison, and Culpeper. The results of the study shall be submitted to the Secretary of Commerce and Trade and to the Chairmen of the Senate Finance and House Appropriations Committees.

P. Out of the amounts for Community Development Services shall be provided $500,000 the first year from the general fund to the City of Petersburg for the Appomattox River Dredging Project.

Q. Out of the amounts for Community Development Services shall be provided $125,000 the first year from the general fund to the Southside Planning District Commission as a $1.00 for $1.00 match for contributions from local or private sources, or from the Tobacco Indemnification Commission, for the acquisition of a facility to house the offices of the planning district commission.

R. $250,000 in the first year from the general fund shall be provided for the Commonwealth Regional Council for regional planning and economic development efforts.

S. Out of the appropriation for this item, $2,400,000 the first year and $2,400,000 the second year from the general fund shall be provided to pay the capital costs for safe drinking water and wastewater treatment in the Lenowisco, Cumberland Plateau, or Mount Rogers planning districts. The Department shall leverage the appropriation with other state moneys, federal grants or loans, local contributions, and private or nonprofit resources. Any unexpended balance in the item for this purpose on June 30, 2007, and June 30, 2008, shall not revert to the general fund but shall be carried forward, reappropriated, and allotted.