2006 Special Session I

Budget Bill - HB5012 (Introduced)

Bill Order » Office of Commerce and Trade » Item 112.10

Department of Housing and Community Development

Item 112.10	First Year - FY2005	Second Year - FY2006
Economic and Community Development Services (53800)	**$0**	**$4,295,000**
Fund Sources:		
General	$0	$4,295,000

Authority: Discretionary Inclusion.

A.1. Out of the amounts for Economic and Community Development Services shall be provided $500,000 the second year from the general fund to establish a community development financial institution to provide business and housing loans in distressed communities and to distressed populations.

2. Notwithstanding the provisions of Title 59.1, Chapter 22.1, Code of Virginia, the Director, Department of Business Assistance, shall transfer all assets of the Virginia Economic Development Revolving Fund to a community development financial institution at such time as the eligible community development financial institution is legally established to do business within the Commonwealth. Such transferred funds shall be used for the purpose of providing a portion of the initial capitalization for a community development bank or credit union subject to oversight by the appropriate federal or state regulatory and insurance agencies and eligible for certification by the U. S. Department of the Treasury as a community development financial institution.

3. The Director, Department of Housing and Community Development, shall transfer $7,500,000 in existing loans and funds from the Commonwealth Priority Housing Fund to a community development financial institution at such time as the eligible community development financial institution is legally established to do business within the Commonwealth. Such transferred funds shall be used for the purpose of providing a portion of the initial capitalization for a community development bank or credit union subject to oversight by the appropriate federal or state regulatory and insurance agencies and eligible for certification by the U.S. Department of the Treasury as a community development financial institution.

4. The purpose of the community development bank or credit union capitalized in part through the transfer of funds authorized in subparagraphs 2 and 3 shall be to leverage the Commonwealth's capital contribution and other capital that may be provided from other sources to provide a source of targeted lending and investment for economic development and housing activities within distressed communities and populations throughout the Commonwealth. As a condition of appropriation for this item, the Director shall provide the Chairmen of the Senate Finance and House Appropriations Committees a draft of the articles of incorporation or organization, charters, mission statements, or any other document needed to establish the community development bank for review and comment.

5. 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 bank or credit union capitalized in part through the transfer of funds authorized in subparagraphs 2 and 3.

B. Out of the amounts for Economic and Community Development Services shall be provided $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.

C. Out of the amounts for Economic and Community Development Services, $1,000,000 the second year from the general fund shall be deposited to the Virginia Removal or Rehabilitation of Derelict Structures Fund, which is authorized under § 36-153, Code of Virginia. These funds shall be allocated for grants to assist localities and economic development authorities in rural areas of Virginia to acquire and redevelop closed industrial sites pursuant to guidance developed by the Virginia Economic Development Partnership including, where appropriate, local match requirements.

D. Out of the amounts for Economic and Community Development Services shall be provided $1,500,000 the second year from the general fund for two regional consortium grants to support specifically identified current and future workforce training needs of existing businesses in distressed regions of the state. Applicants must identify existing industries important to economic growth in their regions; identify the skills and resources necessary in order to have a trained workforce to support those industries; identify current skills levels and skills gaps; develop a plan for remediating skills gaps and for developing necessary skills in workers; identify equipment and facilities, if any, needed to support training; form partnerships among local employers, local governments, and educational institutions; and provide local and industry matches for the regional grants. To qualify as a “regional consortium” applicants must represent at least two counties or a city and a county.

E. Out of the amounts for Economic and Community Development Services shall be provided $195,000 the second year from the general fund to support an artisan network organization that will provide marketing assistance and services to professional artisans in Virginia, thereby creating the market presence, visibility, and engine to enable the artisans to sell their products. The network organization will work collaboratively with other organizations to leverage its resources, broaden its reach, and provide services and assistance that are not currently available to Virginia artisans.

F. Out of the amounts for Economic and Community Development Services shall be provided $1,000,000 the second year from the general fund to develop a regional artisan center in the Shenandoah Valley Region to serve as tourism destinations and sales venues for artisan products. This project shall be developed in cooperation with the Artisan Center of Virginia. The Director, Department of Planning and Budget, based on the recommendation of the Director, Department of Housing and Community Development (DHCD), is authorized to establish capital projects for this purpose.