2022 Special Session I

Budget Bill - HB29 (Reenrolled)

Bill Order » Office of Commerce and Trade » Item 113

Department of Housing and Community Development

Item 113	First Year - FY2021	Second Year - FY2022
Housing Assistance Services (45800)	**$168,760,089**	**$181,410,089**
Housing Assistance (45801)	$100,070,766	$114,370,766
Homeless Assistance (45804)	$16,477,905	$16,477,905
Financial Assistance for Housing Services (45805)	$52,211,418	$50,561,418
Fund Sources:		
General	$89,675,897	$74,025,897
Special	$349,976	$349,976
Dedicated Special Revenue	$100,000	$100,000
Federal Trust	$78,634,216	$106,934,216

Authority: Title 36, Chapters 8, 9, and 11; and Title 58.1, Chapter 3, Articles 4 and 13, Code of Virginia.

A. Out of the amounts in this Item, $3,482,705 from the general fund, $100,000 from dedicated special revenue, and $3,427,000 from federal trust funds the first year and $3,482,705 from the general fund, $100,000 from dedicated special revenue, and $3,427,000 from federal trust funds the second year shall be provided to support services for persons at risk of or experiencing homelessness and housing for populations with special needs, and $4,050,000 the first year and $4,050,000 the second year from the general fund shall be provided for homeless prevention. Of the general fund amount provided, the department is authorized to use up to two percent in each year for program administration. The amounts allocated for services for persons at risk of or experiencing homelessness may be matched through local or private sources. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2021, and June 30, 2022, shall not revert to the general fund but shall be carried forward and reappropriated.

B. The department shall report to the Chairmen of the Senate Finance, the House Appropriations Committees, and the Director, Department of Planning and Budget, by November 4 of each year on the state's homeless programs, including, but not limited to, the number of (i) emergency shelter beds, (ii) transitional housing units, (iii) single room occupancy dwellings, (iv) homeless intervention programs, (v) homeless prevention programs, and (vi) the number of homeless individuals supported by the permanent housing state funding on a locality and statewide basis and the accomplishments achieved by the additional state funding provided to the program in the first year. The report shall also include the number of Virginians served by these programs, the costs of the programs, and the financial and in-kind support provided by localities and nonprofit groups in these programs. In preparing the report, the department shall consult with localities and community-based groups.

C. Out of the amounts in this Item, $1,100,000 the first year and $1,100,000 the second year from the general fund shall be provided for rapid re-housing efforts. In keeping with the specific goals of the Balance of State Continuum of Care, $200,000 of this amount in each year shall be focused on ensuring that no veteran is homeless or in a

shelter for more than 30 days. These funds shall be used to supplement other state and federal programs, shall be directed to areas throughout the state where federal funds are not available, and shall be used to serve those veterans ineligible for federal benefits.

D. The department shall continue to collaborate with the Department of Veteran Services to ensure coordinated efforts towards reducing homelessness among veterans.

E.1. Out of the amounts in this Item, $70,700,000 the first year and $55,000,000 the second year from the general fund shall be deposited to the Virginia Housing Trust Fund, established pursuant to § 36-142 et seq., Code of Virginia. Notwithstanding § 36-142, Code of Virginia, when awarding grants through eligible organizations for targeted efforts to reduce homelessness, priority consideration shall be given to efforts to reduce the number of homeless youth and families and to expand permanent supportive housing. Notwithstanding § 36-142, Code of Virginia, the department may use funds appropriated in paragraph E.1. of this Item to address housing issues resulting from the COVID-19 pandemic, with the exception of monies provided for the continuation of the Virginia Rent and Mortgage Relief Program in paragraph E.2.

2. Out of the amounts appropriated in paragraph E.1., $28,200,000 in the first year from the general fund is hereby designated to continue the Virginia Rent and Mortgage Relief Program when monies allocated from the Coronavirus Relief Funds awarded to the Commonwealth through the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) expire. In addition to the amounts designated in this paragraph, it is the intent of the General Assembly that the Department use additional funds, if necessary, from the amounts appropriated in paragraph E.1. to sustain the Virginia Rent and Mortgage Relief Program, during the declared state of emergency pursuant to § 44-146.17, Code of Virginia, in response to a communicable disease of public health threat as defined in § 44-146.16, Code of Virginia.

3. As part of the plan required by § 36-142 E., Code of Virginia, the department shall also report on the impact of the loans and grants awarded through the fund, including but not limited to: (i) the number of affordable rental housing units repaired or newly constructed, (ii) the number of individuals receiving down payments and/or closing assistance, (iii) the progress and accomplishments in reducing homelessness achieved by the additional support provided through the fund, and (iv) the progress in expanding permanent supportive housing options.

4.a. In administering the funds appropriated in paragraphs B.1. and B.2. of Item 479.10 for the Virginia Rent and Mortgage Relief Program, the Department shall allow for financial assistance to cover one-hundred percent of current and past due rent included in the application for rental assistance. The financial assistance supported with funds in paragraphs B.1. and B.2. of Item 479.10 for the Virginia Rent and Mortgage Relief Program shall cover the period between April 1, 2020 and expiration of the Coronavirus Relief Funds awarded to the Commonwealth through the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136).

b. In administering the funds appropriated in paragraph E.2. of this item for the Virginia Rent and Mortgage Relief Program, the Department shall allow for financial assistance to cover one-hundred percent of current and past due rent included in the application for rental assistance. At such time the general funds provided in paragraph E.2. of this item are deployed, the Department may allow for financial assistance to be used to cover past due rent accumulated prior to April 1, 2020.

c. Landlords and tenants shall be able to access the funds appropriated in paragraph E.2. of this item and paragraphs B.1. and B.2. of Item 479.10 for the Virginia Rent and Mortgage Relief Program.

F. Out of the amounts in this Item, $15,800,000 the first year and $15,800,000 the second year from federal trust funds shall be provided to support Virginia affordable housing programs and the Indoor Plumbing Program.

G. Out of the amounts in this Item, $50,000 the first year and $50,000 the second year from the general fund and one position shall be provided to support the administrative costs associated with administering the tax credits

authorized pursuant to § 58.1-435, Code of Virginia.

H. The department shall develop and implement strategies, that may include potential Medicaid financing, for housing individuals with serious mental illness. The department shall include other agencies in the development of such strategies including the Virginia Housing Development Authority, Department of Behavioral Health and Developmental Services, Department of Aging and Rehabilitative Services, Department of Medical Assistance Services, and Department of Social Services. The department shall also include stakeholders whose constituents have an interest in expanding supportive housing for people with serious mental illness, including the National Alliance on Mental Illness Virginia, the Virginia Housing Alliance and the Virginia Sheriff's Association. An annual report on such strategies and the progress on implementation shall be provided to the Chairmen of the House Appropriations and Senate Finance Committees by the first day of each General Assembly Regular Session.

I. The Department of Housing and Community Development shall work with the Virginia Housing Commission to identify the impact of legislation that passed the 2019 session of the General Assembly that is designed to mitigate eviction rates and recommend if any further action is necessary to complement these efforts. The Department shall consider current federal, state and local resources, including but not limited to the following: (a) current counseling and social services provided by state agencies and authorities; (b) the potential needs of the cities of Richmond, Newport News, Hampton, Norfolk, and Chesapeake, as well as eviction prevention and diversion programs established in the cities of Arlington and Richmond; (c) data collected pursuant to Chapter 356, 2019 Acts of Assembly; and, (d) eviction prevention and diversion programs in other states. The Department shall analyze and recommend how to better coordinate current public and private resources and programs to reduce eviction rates in Virginia, as well as how current prevention efforts can coordinate with existing and newly created eviction diversion laws and programs.

J.1. Out of the amounts appropriated in this item, $3,300,000 the first year and $3,300,000 the second year from the general fund shall be used to establish a competitive Eviction Prevention and Diversion Pilot Program that will support local or regional eviction prevention and diversion programs that utilize a systems approach with linkages to local departments of social services and legal aid resources. This program shall prioritize grant applications that provide a local match at an amount deemed appropriate by the Department.

2. The resources provided in J.1. may be used to facilitate the development of a statement of tenant rights and responsibilities and implement the provisions of § 36-139 and § 55.1-1204, Code of Virginia.

K. Out of the amounts in this item, $50,000 in the second year from the general fund is provided pursuant to the passage of House Bill 2053 in the 2021 General Assembly, which directs the Department to lead a workgroup to provide recommendations on increasing local development of accessory dwelling units on single-family dwelling lots.

L.1. Notwithstanding the provisions of § 10.1-1330, Code of Virginia, the department shall utilize up to $11,400,000 of unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) for the purposes of providing relief to residents of Virginia that lost or sustained property damage as a result of a flood disaster, mudslide, or landslide occurring on or after August 1, 2021, but before September 31, 2021, and subject to a Major Disaster Declaration (FEMA-4628-DR) issued by President Biden on October 26, 2021.

2. The department shall establish a program to provide flood relief to eligible applicants, which shall include individual property owners and business owners affected by a flood disaster, mudslide, or landslide. The department shall establish procedures for filing and resolving claims, which shall include measures to prevent fraud, and which may include any criteria the department determines reasonable to carry out the provisions of this paragraph. The amount of relief provided to an eligible applicant shall be equal to 175 percent of the property value for the realty that sustained major damage or represents a total loss, as defined by 7. and 8. below. The

department shall award funds for estimated repairs up to the maximums contained in this paragraph for a realty that does not meet the definition of total loss or major damage, as defined by 7. and 8. below. Any payment made to an eligible applicant from this paragraph shall not exceed $500,000 for a residential realty and $1,000,000 for a commercial realty. If an eligible applicant owns multiple, noncontiguous properties in an area affected by the disaster in paragraph L.1. of this item, the eligible applicant may file separate claims for each parcel, and the maximums described in this paragraph shall apply to each separate claim. The department shall reduce payments by any federal or state relief or insurance payments received by the eligible applicant for property repairs or damage related to the disaster described in paragraph L.1. of this item.

3. Payments under paragraph L. of this item shall be subject to the availability of funds. If claims exceed available funds, the department shall make payments in the order that claims were received.

4. The department shall not provide relief under this section for realty that was abandoned or uninhabited at the time of the disaster described in paragraph L.1. of this item.

5. No recourse may be had by any person, organization, or entity against a recipient of payment under this paragraph, absent any evidence of misuse of funds. Misuse of funds shall be established by a showing that a recipient knowingly misapplied the proceeds of a payment received under this paragraph. If a showing of misuse of funds has been made, then a person may seek recourse against the recipient for an amount no greater than the extent of the payment.

6. Relief awarded pursuant to this paragraph is excluded from gross income and is not subject to taxation.

7. "Total loss" means real property that has been destroyed, such that there is a total loss of the structure, the structure is not economically feasible to repair, or there is a complete failure to major structural components, such as the collapse of the basement, wall, or roof.

8. "Major damage" means real property that has substantial failure to its structural elements, such as walls, floor, or foundation, or that has sustained damage that will take more than 30 days to repair.

9. "Eligible applicant" means any individual property owner or business owner that lost or sustained property damage as a result of a flood disaster, mudslide, or landslide occurring on or after August 1, 2021, but before September 31, 2021, and subject to a Major Disaster Declaration (FEMA-4628-DR) issued by President Biden on October 26, 2021.