2026 Special Session I

Budget Bill - HB30 (Enrolled)

Bill Order » Office of Commerce and Trade » Item 102

Department of Housing and Community Development

Item 102	First Year - FY2027	Second Year - FY2028
Housing Assistance Services (45800)	**$402,559,101**	**$311,584,101**
Housing Assistance (45801)	$314,546,024	$242,771,024
Homeless Assistance (45804)	$31,914,145	$17,914,145
Financial Assistance for Housing Services (45805)	$56,098,932	$50,898,932
Fund Sources:		
General	$199,645,974	$108,670,974
Special	$95,473,143	$95,473,143
Trust and Agency	$31,371	$31,371
Dedicated Special Revenue	$100,000	$100,000
Federal Trust	$107,308,613	$107,308,613

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, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated.

B. The department shall report to the Chairs of the Senate Finance and Appropriations, 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. 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.1. Out of the amounts in this Item, $14,100,000 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. The department shall provide these funds as grants in a formula determined by the department with input from stakeholders. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated.

2. Out of the amounts in this paragraph, $7,000,000 the first year is provided to the City of Charlottesville for the development of a transitional housing and life skills training facility to increase capacity to serve individuals and families experiencing homelessness in the community.

D. Out of this appropriation, $1,675,000 the first year and $675,000 the second year from the general fund shall be provided to support the organizational capacity and administrative needs of the Continuum of Care lead agencies in Virginia, including local planning groups in the Balance of State Continuum of Care, as they serve persons at risk of or experiencing homelessness in their regions. The department shall determine, with input from Continuum of Care lead agencies and other stakeholders, the activities that are eligible for funding, which shall include but are not limited to: (i) the development and management of homeless crisis response systems; (ii) grant administration and reporting; (iii) staff training; and (iv) essential operational tasks. The department shall provide these funds as grants in a formula determined by the department with input from stakeholders.

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

F.1. Out of the amounts in this Item, $127,500,000 the first year and $87,500,000 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.

2. 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.

3. In any year where claims for the Virginia Housing Opportunity Tax credit exceed revenue loss assumptions in "The Economic Outlook and Revenue Forecast" report (GACRE Report) prepared by the Secretary of Finance and submitted to the General Assembly annually in December (net lost revenues), the Governor is authorized to direct the State Comptroller to transfer an amount equal to these net lost revenues from the Virginia Housing Trust Fund to the general fund.

4. The department shall convene a stakeholder workgroup to review and make recommendations regarding the administration of the Virginia Housing Trust Fund (the Trust Fund), including the allocation of funds across Trust Fund programs. The workgroup shall develop recommendations to support the Trust Fund's continued growth and optimization, including consideration of potential dedicated funding sources and innovative programs to address the evolving affordable housing needs across the Commonwealth. The department shall submit the workgroup's findings and recommendations to the General Assembly no later than November 1, 2026. The stakeholder workgroup shall include representatives of the following, to the extent practicable: awardees of all Virginia Housing Trust Fund programs; affordable housing developers; homeless service providers; tenants, with priority for those in housing supported by the Trust Fund; affordable housing advocates, including the Virginia Housing

Alliance; relevant state agencies; staff to the House Appropriations and Senate Finance and Appropriations Committees; and other stakeholders as identified by the department.

G. 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.

H. 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 § 58.1-439.12:04, Code of Virginia.

I. 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 Sheriffs' Association. An annual report on such strategies and the progress on implementation shall be provided to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by the first day of each General Assembly Regular Session.

J. Out of the amounts appropriated in this Item, $14,950,000 the first year and $3,450,000 the second year from the general fund shall be used to continue the competitive Eviction Prevention and Diversion 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. The Department shall expand the program to underserved regions of the state including Northern Virginia. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027 and June 30, 2028 shall not revert to the general fund but shall be carried forward and reappropriated.

K. The authorization provided under Item 113, Paragraph L., Chapter 1, 2022 Acts of Assembly, Special Session I, that directs the department to use up to $11,400,000 of unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) for flood relief is hereby continued. Using these funds, the department shall continue to administer a program established 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 30, 2021, and subject to a Major Disaster Declaration (FEMA-4628-DR) issued by President Biden on October 26, 2021.

L. The authorization provided under Item 113, Paragraph O., Chapter 1, 2023 Acts of Assembly, Special Session I, that directs the department to use up to $18,000,000 of unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) for flood relief is hereby continued. Using these funds, the department shall continue to administer a program established 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 July 1, 2022, but before August 31, 2022, and subject to a Major Disaster Declaration (FEMA-4674-DR) issued by President Biden on September 30, 2022

M. Out of this appropriation, $200,000 the first year and $200,000 the second year from the general fund is provided for the department to support the comprehensive statewide housing assessment, pursuant to § 36-139, Code of Virginia.

N. The authorization of $5,000,000 in unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) for the Manufactured Home Park Acquisition Pilot Program provided in Item 102, paragraph M.1 through

M.7., Chapter 725, 2025 Acts of Assembly shall continue, including all reporting requirements and other conditions set forth in the prior authorization. Notwithstanding the provisions of Item 102, paragraph M.1. through M.7., Chapter 725, 2025 Acts of Assembly, guidance, or criteria to the contrary, the department may use up to $750,000 of the funds provided for the Manufactured Home Park Acquisitions Pilot Program to award grants to eligible groups as defined in Item 102, paragraph M.2., Chapter 725, 2025 Acts of Assembly to complete any necessary due diligence work necessary prior to making an offer on a manufactured home park.

O. The authorization of $5,000,000 in unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) for the Virginia Pilot Down Payment Assistance Program provided in Item 102, paragraph N.1 through N.7., Chapter 725, 2025 Acts of Assembly shall continue, including all reporting requirements and other conditions set forth in the prior authorization.

P.1. The authorization under Item 102, Paragraph Q., Chapter 725, 2025 Acts of Assembly, which provided a total of $50,000,000 from the general fund for disaster mitigation and relief for qualified communities shall continue, including all requirements and other conditions set forth in the original authorization. Balances from this amount shall not revert to the general fund and shall be reappropriated at the end of any fiscal year.

2. Notwithstanding the provisions of Item 102, paragraph Q.2., Chapter 725, 2025 Acts of Assembly, guidance, or criteria to the contrary, the department in making grants to projects aligned with the purpose of paragraph Q.2., Item 102, Paragraph Q.2., Chapter 725, 2025 Acts of Assembly shall prioritize applications that are consistent with state floodplain management standards for state-owned buildings or local floodplain standards.

3. The department shall issue a contract for the purpose stated in Item 102, Paragraph Q.2.c., Chapter 725, 2025 Acts of Assembly by August 1, 2026.

4. As authorized in Item 102, Paragraph Q.2.c., Chapter 725, 2025 Acts of Assembly, an additional $200,000 in the first year shall be provided to extend the pilot program through June 30, 2027. An interim report detailing the pilot program launch will be submitted to the Chairs of the Senate Finance and Appropriations Committee and the House Appropriations Committee by November 1, 2026.

Q. Out of this appropriation, $161,000 the first year and $161,000 the second year from the general fund is provided for the Department of Housing and Community Development to create and maintain a registry of manufactured home park owners in the Commonwealth. The department shall develop a reporting document posted on its website that shall be submitted electronically by all manufactured home community owners or their registered agents to be kept by the department as proof of operations within the Commonwealth. The application shall contain the following information: (i) manufactured home community name; (ii) manufactured home community address; (iii) number of lots in the manufactured home community; (iv) individual or business name of the owner or onsite emergency contact of the manufactured home community; and (v) name of registered agent representing the owner in the Commonwealth, if any. Any manufactured home community operating in the Commonwealth shall register with the department. Should a registered owner seek to sell their community pursuant to § 55.1-1308.1 or 55.1-1308.2, Code of Virginia, the owner shall disclose the need to register the community under the new ownership at time of transfer of title to the manufactured home community. Should a registered owner seek to change the use of the manufactured home community as permitted in § 55.1-1308, Code of Virginia, the registered owner shall provide notice to the department of their intention to change the use of the property 180 days before the community ceases operations. Manufactured home communities currently operational in the Commonwealth on July 1, 2026 shall have 180 days to register with the Department of Housing and Community Development pursuant to the provisions of this paragraph. On or before, November 1, 2026, the department shall report to the General Assembly on: (i) the necessity of assessing a fee for the submission of applications to cover the department's administrative and storage costs associated with maintaining the manufactured home park registry; (ii) if appropriate, a recommended registration fee amount; (iii) the necessity of a fine for manufactured home park operators that fail to register with the department to ensure compliance with this paragraph; and (iv) if appropriate, a recommended fine amount.

R. Out of this appropriation, $20,000,000 the first year from the general fund is provided to effectuate the provisions of Chapters 1012, 1072, and 1037 of the 2026 Acts of Assembly. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated.

S. Notwithstanding the provisions of § 10.1 - 1330, Code of Virginia, the Department shall utilize $25,000,000 of unobligated balances in the Low-Income Energy Efficiency Program Fund (02017) to support the implementation of weatherization projects consistent with the recommendations of the Income Qualified Energy Efficiency and Weatherization Task Force. It is the intent of the General Assembly that funds authorized for this purpose can be used until June 30, 2030.

T. Out of this appropriation, $25,000 the first year from the general fund is provided to effectuate the provisions of Chapters 540 and 541, 2026 Acts of Assembly.

U. Out of this appropriation, $5,000,000 the first year from the general fund is provided to Prince William County to support the County's Affordable Housing Fund.

V. Out of this appropriation, $200,000 the first year from the general fund is provided to the County of Fairfax for a partnership with the Herndon-Reston FISH program to offer rapid, flexible emergency assistance to individuals facing eviction.

W. Out of this appropriation, $250,000 the first year from the general fund is provided to the City of Richmond for Housing Opportunities Made Equal to provide statewide education and outreach about the protected classes covered under Virginia's Fair Housing Law, and to investigate and enforce allegations of housing discrimination.