2026 Special Session I

Budget Bill - HB30 (Introduced)

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)	**$311,162,101**	**$311,162,101**
Housing Assistance (45801)	$242,349,024	$242,349,024
Homeless Assistance (45804)	$17,914,145	$17,914,145
Financial Assistance for Housing Services (45805)	$50,898,932	$50,898,932
Fund Sources:		
General	$108,248,974	$108,248,974
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. 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. 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.

D. Out of this appropriation, $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, $87,500,000 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.

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, $3,450,000 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.

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.

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. 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.

Q. On or before June 30, 2026, the State Comptroller shall transfer an estimated $35,000,000 from interest accrued in the Low-Income Energy Efficiency Program Fund (02017) to the Cardinal Disaster Relief Fund established in Item 399 of this Act.