

SENATE BILL NO. _____ HOUSE BILL NO. _____

1 A BILL to amend and reenact §§ 15.2-2414, 15.2-2415, 15.2-2417, 15.2-2418, and 36-55.64 of the Code
2 of Virginia and to repeal Chapter 11 (§§ 36-157 through 36-170) of Title 36 of the Code of
3 Virginia, relating to Urban Public-Private Partnership Redevelopment Fund; funding
4 requirements; report.

5 **Be it enacted by the General Assembly of Virginia:**

6 **1. That §§ 15.2-2414, 15.2-2415, 15.2-2417, 15.2-2418, and 36-55.64 of the Code of Virginia are**
7 **amended and reenacted as follows:**

8 **§ 15.2-2414. Definitions.**

9 As used in this chapter, unless the context requires a different meaning:

10 ~~"Board" means the Board of Housing and Community Development.~~

11 "Department" means the Department of Housing and Community Development.

12 "Fund" means the Urban Public-Private Partnership Redevelopment Fund created by this chapter.

13 "Local government" or "locality" means any county, city, or town in the Commonwealth.

14 ~~"Private developer" means any limited partnership, limited liability company, or domestic~~
15 ~~corporation.~~

16 ~~"Qualifying entities" means private developers, nonprofit organizations that are exempt from~~
17 ~~taxation under § 501(c)(3) of the Internal Revenue Code, local government and regional authorities, land~~
18 ~~bank entities as defined by § 15.2-7500, property owners' associations as defined by § 55.1-1800, and~~
19 ~~associations of unit owners as that term is defined by § 55.1-1900.~~

20 **§ 15.2-2415. Creation and management of the Urban Public-Private Partnership**
21 **Redevelopment Fund.**

22 There is hereby established in the state treasury a permanent and perpetual fund to be known as
23 the Urban Public-Private Partnership Redevelopment Fund. The Fund shall consist of sums appropriated
24 to the Fund by the General Assembly; sums which may be allocated to the Commonwealth for this purpose
25 by the United States government; all interest earned on moneys in the Fund; and any other sums designated

26 for deposit to the Fund from any source, public or private. The Fund is created to address the serious
27 problem of a lack of developable land in urban areas of the Commonwealth and the high cost of
28 redeveloping such land. The Fund shall make grants or loans to local governments for assembling,
29 planning, clearing, and remediating sites for the purpose of promoting such sites to ~~private developers~~
30 qualifying entities for redevelopment.

31 The Fund shall be administered and managed by the Department as prescribed in this chapter. The
32 Department may disburse from the Fund reasonable costs and expenses incurred in administration and
33 management of the Fund.

34 **§ 15.2-2417. Grants and loans.**

35 Except as otherwise provided in this chapter, money in the Fund shall be used to make grants ~~or~~
36 loans, revolving loans, or other financing tools available to local governments to finance the assembling,
37 planning, clearing, and remediation of sites for the purpose of promoting such sites to ~~private developers~~
38 qualifying entities for redevelopment.

39 ~~No grant shall exceed \$500,000. Each grant shall be conditioned upon a 100 percent match of~~
40 ~~funds by the local government.~~ The ~~Board~~ Department shall develop appropriate criteria and guidelines
41 for the ~~administration of the grant program established by this chapter~~ expenditure or disbursements of
42 funds from the Fund and shall (i) prioritize grant awards for localities experiencing an above average or
43 high level of fiscal stress as designated by the Commission on Local Government in its most recent
44 "Report on Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Cities and
45 Counties" and (ii) match requirements that consider both monetary and nonmonetary contributions.

46 ~~The Board shall determine the terms and conditions of any loan from the Fund; however, it is the~~
47 ~~intent of this chapter that the Board make long term no interest loans to localities to encourage utilization~~
48 ~~of any available funds.~~ All loans from the Fund shall be evidenced by appropriate notes of the loan
49 recipient payable to the Fund. The Director of the Department is authorized to require in connection with
50 any loan from the Fund any documents, instruments, certificates, legal opinions or other information he
51 deems necessary or convenient.

52 **§ 15.2-2418. Reports.**

53 ~~On or before September 30 of each year, each local government recipient shall report to the~~
54 ~~Department on the status of all sites being prepared for redevelopment with the grant or loan.~~

55 On or before December 1, 2025, and each year thereafter, the Department shall submit a report to
56 the Secretary of Commerce and Trade, the Governor, and the Chairmen of the House Committee on
57 Appropriations and the Senate Committee on Finance and Appropriations, including (i) the number of
58 projects funded, (ii) the geographic location of the projects, and (iii) the costs of the Fund and the
59 outcomes, including the number and total amount of loans, grants, and forgivable loans awarded for
60 redevelopment.

61 **§ 36-55.64. Creation of local housing rehabilitation zones.**

62 A. Any city, county, or town may establish, by ordinance, one or more housing rehabilitation zones
63 for the purpose of providing incentives and regulatory flexibility in such zone.

64 B. The incentives provided in a housing rehabilitation zone may include, but not be limited to (i)
65 reduction of permit fees, (ii) reduction of user fees, and (iii) waiver of tax liens to facilitate the sale of
66 property that will be substantially renovated, rehabilitated or replaced.

67 C. Incentives established pursuant to this section may extend for a period of up to 10 years from
68 the date of initial establishment of the housing rehabilitation zone; however, the extent and duration of
69 any incentive shall conform to the requirements of applicable federal and state law.

70 D. The regulatory flexibility provided in a housing rehabilitation zone may include, but not be
71 limited to (i) special zoning for the district, (ii) the use of a special permit process, (iii) exemption from
72 certain specified ordinances, excluding ordinances or provisions of ordinances adopted pursuant to the
73 requirements of the Chesapeake Bay Preservation Act (§ 62.1-44.15:67 et seq.), the Erosion and Sediment
74 Control Law (§ 62.1-44.15:51 et seq.), and the Virginia Stormwater Management Act (§ 62.1-44.15:24 et
75 seq.), and (iv) any other incentives adopted by ordinance, which shall be binding upon the locality for a
76 period of up to 10 years.

77 E. The governing body may establish a service district for the provision of additional public
78 services pursuant to Chapter 24 (§ 15.2-2400 et seq.) of Title 15.2.

79 F. ~~Each locality establishing a housing rehabilitation zone pursuant to this section may also apply~~
80 ~~for the designation of a housing revitalization zone pursuant to Chapter 11 (§ 36-157 et seq.). Nothing in~~
81 ~~this chapter shall preclude such dual designation.~~

82 ~~G.~~ Any housing rehabilitation zone established pursuant to this chapter shall be deemed to meet
83 the requirements for designation of housing revitalization eligible to be financed as an economically mixed
84 project pursuant to § 36-55.30:2.

85 ~~H-G.~~ This section shall not authorize any local government powers that are not expressly granted
86 herein.

87 **2. That Chapter 11 (§§ 36-157 through 36-170) of Title 36 of the Code of Virginia is repealed.**

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