

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 "Qualifying entities" means private developers, local government authorities, entities as defined
15 in § 13.1-603, existing nonprofit entities as defined by § 15.2-7500, and land bank entities as defined by
16 § 15.2-7500.

17 **§ 15.2-2415. Creation and management of the Urban Public-Private Partnership**
18 **Redevelopment Fund.**

19 There is hereby established in the state treasury a permanent and perpetual fund to be known as
20 the Urban Public-Private Partnership Redevelopment Fund. The Fund shall consist of sums appropriated
21 to the Fund by the General Assembly; sums which may be allocated to the Commonwealth for this purpose
22 by the United States government; all interest earned on moneys in the Fund; and any other sums designated
23 for deposit to the Fund from any source, public or private. The Fund is created to address the serious
24 problem of a lack of developable land in urban areas of the Commonwealth and the high cost of
25 redeveloping such land. The Fund shall make grants or loans to local governments for assembling,

26 planning, clearing, and remediating sites for the purpose of promoting such sites to ~~private developers~~
27 qualifying entities for redevelopment.

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

31 **§ 15.2-2417. Grants and loans.**

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

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

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

49 **§ 15.2-2418. Reports.**

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

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

58 **§ 36-55.64. Creation of local housing rehabilitation zones.**

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

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

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

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

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

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

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

82 ~~H.G.~~ This section shall not authorize any local government powers that are not expressly granted
83 herein.

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

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