

Office of Regulatory Management
Economic Review Form

Agency name	Board of Housing and Community Development
Virginia Administrative Code (VAC) Chapter citation(s)	13 VAC 5-112
VAC Chapter title(s)	Enterprise Zone Grant Program Regulation
Action title	Amend Application Requirements
Date this document prepared	February 2024
Regulatory Stage (including Issuance of Guidance Documents)	Fast-Track

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Agency Note: The proposed regulatory action related to the Enterprise Zone (EZ) Grant Program would increase the threshold for which a Job Creation Grant (JCG) applicant is required to have a CPA attestation with their grant application. Current regulations require CPA attestation for applicants creating more than 25 jobs. The proposed change would increase the threshold to 40 jobs, reducing the regulatory burden for smaller businesses.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here. None expected.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change. None expected.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here. Certain Job Creation Grant (JCG) applicants will no longer be required to obtain a CPA attestation as part of the application process. These applicants will save the cost of having to hire a CPA to complete the attestation. The average cost to hire a CPA to complete an attestation for the Enterprise Zone (EZ) Grant Program is \$3,000-\$5,000. Following the changes of this proposed regulatory action, it is anticipated 10 JCG applicants per year will benefit from this change.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change. None expected.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$30,000-\$50,000/yr.
(3) Net Monetized Benefit	\$30,000-\$50,000/yr.	
(4) Other Costs & Benefits (Non-Monetized)	<p>As a result of this proposed action, there may be an increase in JCG applicants who were previously unable to submit an application due to the cost and burden of acquiring a CPA attestation.</p> <p>Additionally, DHCD staff would be required to conduct additional review of JCG applications that are newly exempt from submitting a CPA attestation. DHCD staff already conducts additional review of JCG applications that are currently not required to submit a CPA attestation. The additional application review could be achieved with currently available resources.</p>	
(5) Information Sources		

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here. Under status quo, no new costs.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change. Under status quo, no new costs.</p>	
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	<p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p style="text-align: center;">Under status quo, no new benefits.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p> <p style="text-align: center;">Under status quo, no new benefits.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)	<p>Some small businesses interested in submitting a JCG application may currently be discouraged to do so due to the cost and burden of obtaining a CPA attestation.</p>	
(5) Information Sources		

Table 1c: Costs and Benefits under Alternative Approach(es)

Agency Note: An alternative approach would be to remove the exemption and require all JCG applicants to submit a CPA attestation.

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p style="text-align: center;">Under current regulations, there are 10-15 JCG applications each year that are exempt from submitting a CPA attestation. The average cost to hire a CPA to complete an attestation for the EZ Grant Program is \$3,000-\$5,000. Removing this exemption and requiring all EZ Grant Program applicants to submit a CPA attestation would cost small businesses \$30,000-\$75,000/yr.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p style="text-align: center;">None expected.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p style="text-align: center;">None expected.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p> <p style="text-align: center;">None expected.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$30,000-\$75,000/yr.	(b) \$0

(3) Net Monetized Benefit	
(4) Other Costs & Benefits (Non-Monetized)	<p>This alternative approach would increase DHCD staff capacity as DHCD staff is currently required to conduct additional review of JCG applications that are exempt from submitting a CPA attestation.</p> <p>Additionally, this alternative would conform the CPA attestation policy for JCG applications to the CPA attestation policy of the Real Property Investment Grant (RPIG) application requirements. RPIG is another type of grant within the EZ Grant Program. There does not currently exist any CPA attestation exemptions for RPIG applicants.</p>
(5) Information Sources	

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here. None expected.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change. None expected.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here. None expected.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change. None expected.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Assistance		

(5) Information Sources	
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Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Describe the direct costs of this proposed change here. None expected. Indirect Costs: Describe the indirect costs of the proposed change. None expected. Direct Benefits: Describe the direct benefits of this proposed change here. None expected. Indirect Benefits: Describe the indirect benefits of the proposed change. None expected.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Information Sources		

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Describe the direct costs of this proposed change here. None expected. Indirect Costs: Describe the indirect costs of the proposed change. None expected. Direct Benefits: Describe the direct benefits of this proposed change here. Small businesses submitting a JCG application that would create 26-40 new jobs would no longer be required to obtain a CPA attestation as part of the application process. These
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	<p>small businesses would save the cost of having to hire a CPA to complete the attestation. The average cost to hire a CPA to complete an attestation for the EZ Grant Program is \$3,000-\$5,000. Following the changes of this proposed regulatory action, it is anticipated 10 small businesses per year will benefit from this change.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change. None expected.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$0
(3) Other Costs & Benefits (Non-Monetized)	<p>As a result of this proposed action, more small businesses that were previously unable to submit an application due to the cost and burden of acquiring a CPA attestation may now consider submitting a JCG application.</p>	
(4) Alternatives		
(5) Information Sources		

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Net Change
13VAC5-112	Statutory:	161	0	0	0
	Discretionary:	80	0	0	0
Total Net Change of Statutory Requirements:					0
Total Net Change of Discretionary Requirements:					0

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Length	New Length	Net Change in Length

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).