



Exempt Action Final Regulation Agency Background Document

Agency name	Board of Housing and Community Development
Virginia Administrative Code (VAC) citation	13 VAC 5 - 112
Regulation title	Virginia Enterprise Zone Grant Program
Action title	Conforming Regulation to revisions of the 2009 General Assembly to the Enterprise Zone statute.
Final agency action date	July 27, 2009
Document preparation date	July 27, 2009

When a regulatory action is exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the Virginia Administrative Process Act (APA), the agency is encouraged to provide information to the public on the Regulatory Town Hall using this form.

Note: While posting this form on the Town Hall is optional, the agency must comply with requirements of the Virginia Register Act, the *Virginia Register Form, Style, and Procedure Manual*, and Executive Orders 36 (06) and 58 (99).

Summary

Please provide a brief summary of all regulatory changes, including the rationale behind such changes. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

This action is required to conform Regulations with the changes in the Virginia Enterprise Zone statute made by the 2009 General Assembly. Revisions necessitated by the General Assembly's changes are detailed below.

- Update 13VAC5-112-340 Computation of the Real Property Investment Grant:
 - Increase from \$50,000 to \$100,000 the minimum eligibility investment for rehabilitation or expansion of a building
 - Increase from \$250,000 to \$500,000 the minimum eligibility investment new construction
 - Calculate grants at a rate of 20 percent of the amount of qualified real property investment in excess of the appropriate minimum investment threshold
 - Adjust grant caps to \$100,000 for investors making \$5 million or less in qualified real property investment (down from \$125,000)
 - Adjust grant caps to \$200,000 for investors making more than \$5 million in qualified real property investment (down from \$250,000)

- Delete definitions and language related to the obsolete pre-2005 enterprise zone incentive grants (i.e., Job Grants, 13VACS5-112-200)
- Clarify definition of “qualified real property investment” as it relates to acquisition costs
- Clarify definition of “qualified zone investor” as it relates to horizontal property regimes and what constitutes a building
- Delete obsolete definitions and language related to tax credits for high investment/limited job creation firms (i.e., power plant provision)

Statement of final agency action

Please provide a statement of the final action taken by the agency including (1) the date the action was taken, (2) the name of the agency taking the action, and (3) the title of the regulation.

On July 27, 2009, the Board of Housing and Community Development approved the Enterprise Zone Program Regulations that have been updated to conform to changes in the Enterprise Zone Program statute.

Family impact

Assess the impact of this regulatory action on the institution of the family and family stability.

There is an indirect positive impact on the family in that one purpose of the program is to create net new jobs in distressed areas of the Commonwealth. Businesses must pay at least at 175 percent of the federal minimum wage and offer health benefits in order to qualify for job creation grant. This can encourage economic self-sufficiency and increase disposable family income.