



## Exempt Action Final Regulation Agency Background Document

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| <b>Agency name</b>                                 | Board of Housing and Community Development  |
| <b>Virginia Administrative Code (VAC) citation</b> | 13 VAC 5 - 112  |
| <b>Regulation title</b>                            | Virginia Enterprise Zone Grant Program  |
| <b>Action title</b>                                | Conforming Regulation revisions required by the 2010 General Assembly changes to the Enterprise Zone statute. |
| <b>Final agency action date</b>                    | May 17, 2010  |
| <b>Document preparation date</b>                   | June 2, 2010  |

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 align Regulations with the changes in the Virginia Enterprise Zone statute (59.1-547 Enterprise zone job creation grants and §59.1-549 Policies and procedures for allocation of enterprise zone grants) made by the 2010 General Assembly. Revisions necessitated by the General Assembly's changes are detailed below.

- Update 13VAC5-112-10. Definitions and 13VAC5-112-270. Computation of (job creation) grant amount and create 13VAC5-112-285. Eligibility for reduced wage rate threshold.
  - Define new terms related to implementation of changes to § 59.1-547, calculation of grant amounts in high unemployment areas.
  - Reduce in high unemployment areas (those with unemployment rates of 1.5 times the state rate or higher) the wage rate threshold needed to receive the \$500 level of the Job Creation Grants; the reduced wage rate threshold is 150 percent of the federal minimum wage rate (\$10.88) in high unemployment areas versus 175 percent (\$12.69) in other areas in the state.
  - Create a section to explain how eligibility for the reduced wage rate threshold is determined.

- Update 13VAC5-112-400. Allocating enterprise zone grants to reflect that the Department must give funding priority to the Job Creation Grants per changes to §59.1-549 Policies and procedures for allocation of enterprise zone grants.
  - After fully funding the Job Creation Grants; Real Property Investment Grants will be funded out of the remainder of the Enterprise Zone allocation and will be pro-rated if the requests exceed the remaining amount.

### 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.*

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On May 17, 2010, 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.*

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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 150 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.