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SENATE BILL NO. 975

Offered January 8, 2025

Prefiled January 7, 2025

A BILL to amend and reenact § 36-139 of the Code of Virginia and to amend the Code of Virginia by adding in Article 1 of Chapter 22 of Title 15.2 a section numbered 15.2-2209.4, relating to statewide housing targets for localities.

Patron—VanValkenburg

Referred to Committee on Local Government

Be it enacted by the General Assembly of Virginia:

1. That § 36-139 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Article 1 of Chapter 22 of Title 15.2 a section numbered 15.2-2209.4 as follows:

§ 15.2-2209.4. Statewide housing targets for localities.

A. The provisions of this section shall apply to every locality that has adopted a zoning ordinance pursuant to Article 7 (§ 15.2-2280 et seq.).

B. For a five-year period beginning January 1, 2026, each locality is required to increase its total housing stock by an average of 1.5 percent growth per year for five consecutive years in order to meet the total 7.5 percent growth target. Each locality shall develop a housing growth plan that best meets the needs of the locality while meeting the target growth rates. Such plan may include any strategy deemed appropriate by the locality; however, for purposes of demonstrating a good faith effort to meet growth targets pursuant to subsection C, a locality shall include at least three of the following housing growth strategies:

- 1. Eliminate minimum lot size requirements or reduce such requirements by at least 25 percent.
- 2. Increase building height limits for dwelling units by at least 25 percent.
- 3. Simplify the permitting procedures for multifamily housing and shorten the average time to receive final approval for multifamily housing projects by at least 25 percent.
- 4. Modify zoning ordinances to allow for high-density housing, including multifamily units such as apartments and condominiums, on land previously zoned for single-family use.
- 5. Allow multifamily housing as a permitted use on all lots where office, retail, or commercial is the primary permitted use.
- 6. Rezone land for higher-density housing near transit stations, places of employment, higher education facilities, and other appropriate population centers.
- 7. Implement a plan to repurpose underutilized office parks and strip malls for multifamily housing.
- 8. Eliminate requirements for off-street parking minimums per dwelling unit or reduce such requirements by at least 25 percent.
- 9. Eliminate aesthetic, material, shape, bulk, size, floor area, and other massing requirements for multifamily developments.

C. After January 1, 2031, an applicant who seeks local government approval for a residential development that will have the effect of increasing the supply of housing in a locality and has that application rejected may, in addition to other remedies, appeal such decision to the Housing Approval Board, created pursuant to subdivision 33 of § 36-139. The Housing Approval Board shall have authority to overturn the local decision and approve such application if it finds that (i) the locality has failed to meet a required growth target as established by the Housing Approval Board by July 1, 2026, and (ii) approval of the decision will not pose a significant health or safety concern. However, if the Housing Approval Board determines that a locality has failed to meet a required growth target but has in good faith implemented at least three of the housing growth strategies in subsection B and has not rejected more than 25 percent of the proposals for new housing development that have come before the local governing body in the previous five years, the Housing Approval Board shall not overturn the local decision.

§ 36-139. Powers and duties of Director.

The Director of the Department of Housing and Community Development shall have the following responsibilities:

- 1. Collecting from the governmental subdivisions of the Commonwealth information relevant to their planning and development activities, boundary changes, changes of forms and status of government, intergovernmental agreements and arrangements, and such other information as he may deem necessary.
- 2. Making information available to communities, planning district commissions, service districts and governmental subdivisions of the Commonwealth.
- 3. Providing professional and technical assistance to, and cooperating with, any planning agency, planning district commission, service district, and governmental subdivision engaged in the preparation of

- 59 development plans and programs, service district plans, or consolidation agreements.
- 60 4. Assisting the Governor in the providing of such state financial aid as may be appropriated by the
- 61 General Assembly in accordance with § 15.2-4216.
- 62 5. Administering federal grant assistance programs, including funds from the Appalachian Regional
- 63 Commission, the Economic Development Administration and other such federal agencies, directed at
- 64 promoting the development of the Commonwealth's communities and regions.
- 65 6. Developing state community development policies, goals, plans and programs for the consideration and
- 66 adoption of the Board with the ultimate authority for adoption to rest with the Governor and the General
- 67 Assembly.
- 68 7. Developing a Consolidated Plan to guide the development and implementation of housing programs
- 69 and community development in the Commonwealth for the purpose of meeting the housing and community
- 70 development needs of the Commonwealth and, in particular, those of low-income and moderate-income
- 71 persons, families and communities.
- 72 8. Determining present and future housing requirements of the Commonwealth on an annual basis and
- 73 revising the Consolidated Plan, as necessary to coordinate the elements of housing production to ensure the
- 74 availability of housing where and when needed.
- 75 9. Assuming administrative coordination of the various state housing programs and cooperating with the
- 76 various state agencies in their programs as they relate to housing.
- 77 10. Establishing public information and educational programs relating to housing; devising and
- 78 administering programs to inform all citizens about housing and housing-related programs that are available
- 79 on all levels of government; designing and administering educational programs to prepare families for home
- 80 ownership and counseling them during their first years as homeowners; and promoting educational programs
- 81 to assist sponsors in the development of low and moderate income housing as well as programs to lessen the
- 82 problems of rental housing management.
- 83 11. Administering the provisions of the Industrialized Building Safety Law (§ 36-70 et seq.).
- 84 12. Administering the provisions of the Uniform Statewide Building Code (§ 36-97 et seq.).
- 85 13. Establishing and operating a Building Code Academy for the training of persons in the content,
- 86 application, and intent of specified subject areas of the building and fire prevention regulations promulgated
- 87 by the Board of Housing and Community Development.
- 88 14. Administering, in conjunction with the federal government, and promulgating any necessary
- 89 regulations regarding energy standards for existing buildings as may be required pursuant to federal law.
- 90 15. Identifying and disseminating information to local governments about the availability and utilization
- 91 of federal and state resources.
- 92 16. Administering, with the cooperation of the Department of Health, state assistance programs for public
- 93 water supply systems.
- 94 17. Advising the Board on matters relating to policies and programs of the Virginia Housing Trust Fund.
- 95 18. Designing and establishing program guidelines to meet the purposes of the Virginia Housing Trust
- 96 Fund and to carry out the policies and procedures established by the Board.
- 97 19. Preparing agreements and documents for loans and grants to be made from the Virginia Housing Trust
- 98 Fund; soliciting, receiving, reviewing and selecting the applications for which loans and grants are to be
- 99 made from such fund; directing the Virginia Housing Development Authority and the Department as to the
- 100 closing and disbursing of such loans and grants and as to the servicing and collection of such loans; directing
- 101 the Department as to the regulation and monitoring of the ownership, occupancy and operation of the housing
- 102 developments and residential housing financed or assisted by such loans and grants; and providing direction
- 103 and guidance to the Virginia Housing Development Authority as to the investment of moneys in such fund.
- 104 20. Establishing and administering program guidelines for a statewide homeless intervention program.
- 105 21. Administering 15 percent of the Low Income Home Energy Assistance Program (LIHEAP) Block
- 106 Grant and any contingency funds awarded and carry over funds, furnishing home weatherization and
- 107 associated services to low-income households within the Commonwealth in accordance with applicable
- 108 federal law and regulations.
- 109 22. Developing a strategy concerning the expansion of affordable, accessible housing for older Virginians
- 110 and Virginians with disabilities, including supportive services.
- 111 23. Serving as the Executive Director of the Commission on Local Government as prescribed in § 15.2-
- 112 2901 and perform all other duties of that position as prescribed by law.
- 113 24. Developing a strategy, in consultation with the Virginia Housing Development Authority, for the
- 114 creation and implementation of housing programs and community development for the purpose of meeting
- 115 the housing needs of persons who have been released from federal, state, and local correctional facilities into
- 116 communities.
- 117 25. Administering the Private Activity Bonds program in Chapter 50 (§ 15.2-5000 et seq.) of Title 15.2
- 118 jointly with the Virginia Small Business Financing Authority and the Virginia Housing Development
- 119 Authority.
- 120 26. Developing a statement of tenant rights and responsibilities explaining in plain language the rights and

121 responsibilities of tenants under the Virginia Residential Landlord and Tenant Act (§ 55.1-1200 et seq.) and  
 122 maintaining such statement on the Department's website. The Director shall also develop and maintain on the  
 123 Department's website a printable form to be signed by the parties to a written rental agreement  
 124 acknowledging that the tenant has received from the landlord the statement of tenant rights and  
 125 responsibilities as required by § 55.1-1204. The Director may at any time amend the statement of tenant  
 126 rights and responsibilities and such printable form as the Director deems necessary and appropriate. The  
 127 statement of tenant rights and responsibilities shall contain a plain language explanation of the rights and  
 128 responsibilities of tenants in at least 14-point type. The statement shall provide the telephone number and  
 129 website address for the statewide legal aid organization and direct tenants with questions about their rights  
 130 and responsibilities to contact such organization.

131 27. Developing a statement of tenant rights and responsibilities explaining in plain language the rights and  
 132 responsibilities of tenants under the Virginia Manufactured Home Lot Rental Act (§ 55.1-1300 et seq.) and  
 133 maintaining such statement on the Department's website. The Director shall also develop and maintain on the  
 134 Department's website a printable form to be signed by the parties to a written rental agreement  
 135 acknowledging that the tenant has received from the landlord the statement of tenant rights and  
 136 responsibilities as required by § 55.1-1303. The Director may at any time amend the statement of tenant  
 137 rights and responsibilities and such printable form as the Director deems necessary and appropriate. The  
 138 statement of tenant rights and responsibilities shall contain a plain language explanation of the rights and  
 139 responsibilities in at least 14-point type. The statement shall provide the telephone number and website  
 140 address for the statewide legal aid organization and direct tenants with questions about their rights and  
 141 responsibilities to contact such organization.

142 28. Developing a sample termination notice that includes language referencing acceptance of rent with  
 143 reservation by a landlord following a breach of a lease by a tenant in accordance with § 55.1-1250. The  
 144 sample termination notice shall be in at least 14-point type and shall be maintained on the Department's  
 145 website.

146 29. Developing and operating a Virginia Residential Sites and Structures Locator database to assist  
 147 localities in marketing any structures and parcels determined by the locality to be suitable for future  
 148 residential or mixed-use development or redevelopment and that are under (i) public ownership, (ii) public  
 149 and private ownership, or (iii) private ownership if the owner or owners have authorized the locality to  
 150 market the structure or parcel for future residential or mixed-use development or redevelopment purposes.

151 30. Conducting a comprehensive statewide housing needs assessment at least every five years, which shall  
 152 include (i) a review of housing cost burden and instability, supply and demand for affordable rental housing,  
 153 and supply and demand for affordable for-sale housing and (ii) regional or local profiles that focus on specific  
 154 housing needs of particular regions or localities.

155 31. Developing a statewide housing plan that reflects the findings of the statewide housing needs  
 156 assessment conducted pursuant to subdivision 30, which plan shall include measurable goals and be updated  
 157 at least every five years to reflect changes in the Commonwealth's housing goals, and providing an annual  
 158 report to the General Assembly on progress toward meeting the goals identified in such plan and the  
 159 availability of housing that is accessible to people with disabilities.

160 32. Collecting reports submitted by localities pursuant to § 36-139.9 in any manner prescribed by the  
 161 Department, including any forms developed by the Department to collect the information required to be  
 162 reported by the localities pursuant to such section and publishing such reports on its website.

163 33. *Establishing a three-member Housing Approval Board with authority to overturn certain local land*  
 164 *use decisions pursuant to subsection C of § 15.2-2209.4 and to automatically approve certain local land use*  
 165 *applications that will have the effect of increasing the supply of housing in a locality, if a locality has not*  
 166 *made a good faith effort to meet its required housing targets. The Housing Approval Board shall consist of*  
 167 *the Director, who shall serve as chairman, the executive director of the Virginia Housing Development*  
 168 *Authority, and a member, as selected by the Director, with knowledge of the local land use approval process.*  
 169 *The Board shall meet only as needed to respond to appeals filed pursuant to subsection C of § 15.2-2209.4*  
 170 *and shall be staffed by the Department. The Director shall develop and establish criteria to guide the*  
 171 *Housing Approval Board in its decision-making process and promulgate all necessary regulations. Such*  
 172 *criteria or regulations shall ensure that localities meet required growth targets and shall also establish a*  
 173 *method for giving extra weight, not to exceed 20 percent of the required target, to a locality's calculation of*  
 174 *such targets for increases in affordable housing and for the rehabilitation of current, underutilized housing*  
 175 *stock.*

176 34. Carrying out such other duties as may be necessary and convenient to the exercise of powers granted  
 177 to the Department.