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HOUSE BILL NO. 2641

Offered January 14, 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.

Patrons—Helmer, Callsen, Cohen, Mundon King and Seibold; Senator: VanValkenburg

Referred to Committee on Counties, Cities and Towns

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 development plans and programs, service district plans, or consolidation agreements.

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

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

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

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

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

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

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

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

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

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