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SENATE BILL NO. 1178  
AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the Senate Committee on Local Government  
on January 20, 2025)

(Patrons Prior to Substitute—Senators Hashmi and Srinivasan [SB 1351])

A *BILL to amend the Code of Virginia by adding sections numbered 15.2-2223.6, 15.2-2292.3, and 36-139.9:1, relating to faith and housing; comprehensive plan; zoning; Department of Housing and Community Development.*

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding sections numbered 15.2-2223.6, 15.2-2292.3, and 36-139.9:1 as follows:**

**§ 15.2-2223.6. Comprehensive plan; faith and housing.**

*Beginning July 1, 2025, a locality shall, during the next scheduled and all subsequent reviews of its comprehensive plan, as required in § 15.2-2230, incorporate, based on community input, into its comprehensive plan strategies to support affordable housing development by religious or property tax-exempt nonprofit organizations.*

*Such strategies may include (i) increases in residential density on real property owned by religious organizations as described in § 58.1-3617 or property tax-exempt nonprofit organizations as described in § 58.1-3609 that can be developed into affordable housing, (ii) streamlined or administrative approval processes for affordable housing development on land owned by such organizations, and (iii) a designated staff person of the locality to assist such organizations with developing affordable housing.*

**§ 15.2-2292.3. Faith and housing; approval process.**

*A. Notwithstanding any other provision of law, general or special, any locality may adopt a faith and housing ordinance to stimulate the redevelopment or use of real property owned by entities classified as religious organizations as described in § 58.1-3617 or property tax-exempt nonprofit organizations as described in § 58.1-3609 for affordable housing as defined in § 15.2-2201. The proposed ordinance shall be published in accordance with § 15.2-2204.*

*B. A locality that adopts an ordinance pursuant to this section shall create a clear process for a religious organization or property tax-exempt nonprofit organization to develop affordable housing on its real property. Such ordinance may include provisions (i) creating a zoning overlay district that permits increased residential density on real property owned by religious organizations or property tax-exempt nonprofit organizations; (ii) establishing application incentives for the rezoning or special exception process, such as waiving or reducing fees or expedited processing related to the rezoning process; (iii) providing for a review by the planning commission and the local governing body within six months after a submitted application is determined to be complete and compliant in accordance with the locality's submission requirements; and (iv) establishing alternative zoning standards for building height, bulk, and placement and residential density, parking, and lot size for affordable housing development on real property owned by religious organizations or property tax-exempt nonprofit organizations.*

*C. A locality seeking to adopt an ordinance pursuant to this section may (i) request administrative support from the Department of Housing and Community Development (DHCD) in preparation of such ordinance and (ii) in conjunction with a developer for a proposed project, apply for funds through DHCD for infrastructure upgrades to allow for multi-family housing on real property owned by religious organizations or property tax-exempt nonprofit organizations.*

**§ 36-139.9:1. Local faith and housing ordinance.**

*A. The Department shall develop program guidelines and standards for providing assistance to localities drafting and implementing faith and housing ordinances. Such guidelines and standards shall explain how the Department can support localities drafting planning documents and zoning provisions, and they shall also include the process and methodology the Department will use to award funding grants for infrastructure upgrades that support the development of affordable housing pursuant to § 15.2-2292.3.*

*B. The Department shall include any adopted faith and housing ordinances in the comprehensive statewide housing needs assessment to be performed at least every five years pursuant to subdivision 30 of § 36-139.*

SENATE SUBSTITUTE

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