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SENATE BILL NO. 296

Offered January 14, 2026

Prefiled January 13, 2026

A BILL to amend and reenact § 15.2-735.1 of the Code of Virginia, relating to county manager plan of government; affordable dwelling unit ordinance.

Patron—Favola

Referred to Committee on Local Government

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-735.1 of the Code of Virginia is amended and reenacted as follows:

§ 15.2-735.1. Affordable dwelling unit ordinance; permitting certain densities in the comprehensive plan.

A. In a county that provides in its comprehensive plan for the physical development within the county, adopted pursuant to § 15.2-2223, for densities of development ranging between a floor area ratio (FAR) of 1.0 FAR and 10.0 FAR, or greater, the governing body may adopt as part of its zoning ordinance requirements for the provision of (i) on-site or off-site "Affordable Dwelling Units," as defined herein, or (ii) a cash contribution to the county's affordable housing fund, in lieu of such units, in such amounts *commensurate to the value of on-site Affordable Dwelling Units* as set out herein, as a condition of the governing body's approval of a special exception application for residential, commercial, or mixed-use projects with a density equal to or greater than 1.0 FAR, or an equivalent density based on units per acre. Residential, commercial, or mixed-use projects with a density less than 1.0 FAR, or an equivalent density based on units per acre, shall be exempt from the requirements of this section and the county's zoning ordinance adopted pursuant to this section. The county's zoning ordinance requirements shall provide as follows:

1. Upon approval of a special exception application approving a residential, commercial, or mixed-use project with a density equal to or greater than 1.0 FAR, or an equivalent density based on units per acre, the applicant shall provide on-site Affordable Dwelling Units as part of the project the total gross square footage of which units shall be 5% of the amount of the gross floor area of the project that exceeds 1.0 FAR or an equivalent density based on units per acre. For purposes of this section, "applicant" shall mean the person or entity submitting a special exception application for approval of a residential, commercial or mixed-use project in the county and shall include the successors or assigns of the applicant.

2. As an alternative, upon approval of a special exception application approving a residential, commercial, or mixed-use project with a density equal to or greater than 1.0 FAR, or an equivalent density based on units per acre, the applicant may elect to provide any one of the following:

a. Affordable Dwelling Units shall be provided off-site at a location within one-half mile of any Metrorail Station for projects within a Metro Station Area as defined in the county's comprehensive plan, or within one-half mile of the residential, commercial, or mixed-use project for projects not within a Metro Station Area, as provided in the county's zoning ordinance, the total gross square footage of which units shall be 7.5% of the amount of the gross floor area of the project that is over 1.0 FAR or an equivalent density based on units per acre, or

b. Affordable Dwelling Units shall be provided off-site at any other locations in the county other than those provided in the county's zoning ordinance in accordance with subdivision a, the total gross square footage of which units shall be 10% of the amount of the gross floor area of the project that is over 1.0 FAR, or an equivalent density based on units per acre, or

c. A cash contribution to the county's affordable housing fund, which shall be indexed to the Consumer Price Index for Housing in the Washington-Arlington-Alexandria Metropolitan Statistical Area (MSA) as published by the Bureau of Labor Statistics and shall be adjusted annually based upon the January changes to such index for that year. A cash contribution shall be calculated as follows for each of the below-described density tiers:

(1) **One and one-half dollars** *No less than \$1.50 per square foot of gross floor area for the first tier of density between zero and 1.0 FAR, or an equivalent density based on units per acre.*

(2) ~~Four dollars~~ *No less than \$4* per square foot of gross floor area for the tier of density in residential projects between 1.0 FAR and 3.0 FAR, or an equivalent density based on units per acre, and ~~\$4 no less than~~ \$4 per square foot of gross floor area for the tier of density in commercial projects above 1.0 FAR.

(3) ~~Eight dollars~~ No less than \$8 per square foot of gross floor area for the tier of density in residential projects above 3.0 FAR, or an equivalent density based on units per acre.

(4) For mixed-use projects, cash contributions shall be calculated by applying the proportionate amount of

59 commercial and residential gross floor area to each tier.

60 The cash contribution shall be indexed to the Consumer Price Index for Housing in the Washington-
61 Baltimore MSA as published by the Bureau of Labor Statistics and shall be adjusted annually based upon the
62 January changes to such index for that year. The county may amend the cash contribution amounts in the
63 zoning ordinance using a formula based on the gross floor area of the project. Prior to amending the zoning
64 ordinance pursuant to this section, the governing body may appoint an advisory board to advise the
65 governing body with regard to the appropriate provisions of the ordinance. Such zoning ordinance
66 amendments shall not apply to special exception projects that have been accepted pursuant to the county
67 manager's administrative regulations on the date of adoption of such amendments.

68 3. The applicant shall provide the county manager or his designee, prior to the issuance of the first
69 certificate of occupancy for the residential, commercial, or mixed-use project, a written plan of how the
70 applicant proposes to address the provision of Affordable Dwelling Units or cash contribution as provided in
71 this section and the provisions of the zoning ordinance adopted pursuant to this section. The county manager
72 or his designee shall approve or disapprove the applicant's plan in writing within 30 days of receipt of the
73 written proposal from the applicant. If the county manager or his designee disapproves of the applicant's plan,
74 specific reasons for such disapproval shall be provided.

75 4. An applicant may submit a written plan to be considered by the governing body or its designee to
76 address the provision of Affordable Dwelling Units or cash contribution as provided in this section and the
77 provisions of the zoning ordinance adopted pursuant to this section that deviate from the requirements of this
78 section and the ordinance. Any such deviations may be approved in accordance with the procedures
79 established in the county's zoning ordinance, which procedures shall include a provision for an appeal to the
80 governing body of any administrative decision relative to the written plan submitted by the applicant.

81 5. The ordinance adopted by the county pursuant to this section may provide that, in the discretion of the
82 governing body and with the agreement of the applicant, at the time of consideration of the special exception
83 application, the above requirements may be totally or partially substituted for other compelling public
84 priorities established in plans, studies, policies, or other documents of the county.

85 6. Applications for a special exception approval of a residential, commercial, or mixed-use project that
86 results in the demolition and rebuilding of an existing project shall be subject to the requirements of this
87 section and the zoning ordinance adopted pursuant to this section at the time of redevelopment; however,
88 only density that is replaced or rebuilt and any increased density shall be subject to the requirements. This
89 section and the county's zoning ordinance adopted pursuant to this section shall not apply to rehabilitation or
90 renovation of existing residential, commercial, or mixed-use projects, *provided that there is no change in use.*
91 *Applications for a special exception approval for a change of use of an existing building from commercial to*
92 *residential may be subject to an affordable housing requirement.*

93 7. For purposes of this section "Affordable Dwelling Unit" means units committed for a 30-year term as
94 affordable to households with incomes at 60% of the area median income.

95 B. This section shall apply to an application for a special exception approval for a residential, commercial,
96 or mixed-use project with a density provided for by the County's comprehensive plan designation for the
97 property that is the subject matter of the application. This section shall further apply to such an application
98 that requires rezoning of the property that is the subject matter of the application to permit a use provided for
99 by the county's comprehensive plan designation for the subject property.

100 C. The ordinance adopted by the county pursuant to this section may provide that an application for
101 approval of a special exception for a residential, commercial, or mixed-use project that requests an increase in
102 density that exceeds the density provided for by the county's comprehensive plan designation for the property
103 that is the subject matter of the application shall be subject to an affordable housing requirement in addition
104 to the requirements of this section and the zoning ordinance adopted pursuant to this section.

105 D. The ordinance adopted by the county pursuant to this section or other provisions of law may provide
106 that an application that requests to amend the county's comprehensive plan designation for the subject
107 property to a higher density designation may be subject to an affordable housing requirement in addition to
108 the requirements of this section and the zoning ordinance adopted pursuant to this section.

109 E. The ordinance adopted by the county pursuant to this section may provide that applications for a
110 special exception approval for residential, commercial, or mixed-use projects that result in the elimination of
111 existing units affordable to households with incomes equal to or below 80% of the area median income
112 address replacement of the eliminated units as a condition of the governing body's approval of the special
113 exception application.

114 F. With the exception of the authority under § 15.2-2304, this section establishes the legislative authority
115 for the county to obtain Affordable Dwelling Units in exchange for the approval of a special exception
116 application for a residential, commercial, or mixed-use project in the county, and a special exception may not
117 be used in combination with any other provision of law in Chapter 22 (§ 15.2-2200 et seq.) of Title 15.2 to
118 obtain Affordable Dwelling Units from an applicant. Nothing in this section shall be construed to repeal the
119 county's authority under any other provision of law.