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HOUSE BILL NO. 867**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Senate Committee on Local Government
on March 2, 2026)

(Patron Prior to Substitute—Delegate Cousins)

*A BILL to amend and reenact § 15.2-2304 of the Code of Virginia, relating to affordable housing; local zoning ordinance authority.***Be it enacted by the General Assembly of Virginia:****1. That § 15.2-2304 of the Code of Virginia is amended and reenacted as follows:****§ 15.2-2304. Affordable dwelling unit ordinances in certain localities.**

In furtherance of the purpose of providing affordable shelter for all residents of the Commonwealth, the governing body of any ~~county where the urban county executive form of government or the county manager plan of government is in effect, the Counties of Albemarle and Loudoun, and the Cities of Alexandria, Charlottesville, Fairfax, and Falls Church~~ locality in the Commonwealth may by amendment to the zoning ordinances of such locality provide for an affordable housing dwelling unit program. The program shall address housing needs, promote a full range of housing choices, *help ensure that the housing needs for older residents to live independently are accommodated*, and encourage the construction and continued existence of moderately priced housing by providing for optional increases in density in order to reduce land costs for such moderately priced housing. *In addition to optional increases in density, the program may also include any combination of the following implementation measures and tools:*

- 1. Lot size reductions, dimensional and form modifications, or floor area ratio increases for the production of affordable housing units, or any combination thereof;*
- 2. Contribution to a local housing trust fund in lieu of construction of affordable housing units;*
- 3. Accessory housing unit allowances;*
- 4. Housing inspection programs designed to ensure the quality and safety of affordable housing constructed in accordance with the locality's comprehensive plan;*
- 5. Allowance of duplexes, triplexes, and quadruplexes in areas with primarily single-family detached homes for the purpose of providing affordable housing and creating mixed-income homeownership options;*
- 6. Allowance of conversion of office, light industrial, and commercial space to multifamily use;*
- 7. Encouragement of transit-oriented development;*
- 8. Provision of financial incentives or removal of financial disincentives to promote development of new affordable housing where such development would not otherwise occur under existing conditions;*
- 9. Allowance of lower-cost home construction alternatives, including manufactured or modular homes and duplex manufactured or modular homes; and*
- 10. Other policies, measures, or tools that have a positive impact on the production and maintenance of affordable housing units.*

Any project that is subject to an affordable housing dwelling unit program adopted pursuant to this section shall not be subject to an additional requirement outside of such program to contribute to a county or city housing fund.

Any local ordinance of any other locality providing optional increases in density for provision of low and moderate income housing adopted before December 31, 1988, shall continue in full force and effect.

Localities adopting such ordinances on or after July 1, 2027, shall, in developing and prior to adopting such housing programs, create an advisory committee and actively seek input from residents, developers of residential and mixed-use property, real estate professionals, historic preservation professionals, redevelopment and housing professionals and advocates, planners, urban design professionals, representatives of low-income and moderate-income households, and finance professionals. The advisory committee shall assess the effectiveness and feasibility of any incentives or other measures necessary for economic viability and the development of maximum affordable units. In conducting this assessment, a locality may consult with a planning district commission of which it is a member, pursuant to subsection B of § 15.2-4207.

2. That the provisions of this act shall not apply to any local ordinance adopted prior to January 1, 2026.**3. That the provisions of this act shall become effective on July 1, 2027.**