

Virginia's Approach to Housing Policy

- **Policy development has been incremental and evolutionary**
- **Generally, policy has focused on particular issues/areas of concern**
- **The General Assembly has assumed considerable leadership and involvement in policy development, and exercises oversight of the implementation of most major policies**
 - **Reliance on legislative study/review/monitoring through:**
 - Standing commissions (Housing Commission, Disability Commission, JLARC)
 - Periodic commissions (e.g., growth commission)
 - Legislative studies
 - **Enactment of key legislative acts:**
 - Title 36 (establishing local RHAs and VHDA)
 - Acts creating uniform statewide building, modular building, and fire safety codes
 - Fair Housing Act
 - Landlord/Tenant Act
 - Horizontal Property and Condominium Acts, Real Estate Cooperative Act, etc.
 - **Budget process**
 - Appropriations for specific needs (e.g., homelessness prevention, indoor plumbing) rather than a broad commitment to funding affordable housing programs
- **Under the Code of Virginia, DHCD has been assigned lead administrative responsibility for assessment of housing needs and review and recommendation of housing policies**
- **Traditionally, Administration policy initiatives, other than through budget recommendations, have been limited, and reliance has been placed on DHCD's director and the VHDA Board to establish programs and policies under the oversight of the Secretary of Commerce & Trade**
- **However, over the past 15 years, there have been increased independent Administration policy initiatives:**
 - Recommended organizational restructuring of the administration of state housing programs (early 1990's)
 - Review of state and local regulatory barriers to affordable housing and more direct coordination of DHCD and VHDA programs and funding (mid-1990's)
 - Statewide housing needs assessment (2000-01)
 - Olmstead disability policy initiative and creation of state Policy Academy on Ending Chronic Homelessness (2003)
 - Attempt to develop a state urban policy (2004)
 - Community and economic development initiative for distress regions including state Community Development Bank (2005)

Policy Focus	Housing Policy Practices in Virginia	Current Issues
Determination of housing needs and establishment of an organization structure for developing state housing policies	Establishment of standing and ad hoc legislative commissions to oversee policy development <ul style="list-style-type: none"> • Establishment of the Housing Commission as the primary legislative forum for consideration of housing policy issues • Establishment of the Disability Commission as the legislative forum for consideration of disability service policy issues, including the adequacy of affordable, accessible housing for people with disabilities • Establishment of the Urban Growth Commission to address development issues in rapidly growing regions of Virginia • Establishment of the Commission on Virginia's Future to address long-range strategic planning issues 	<ul style="list-style-type: none"> • Does Virginia need a written, overarching statement of housing policy? If so, then what should it cover, where should responsibility be lodged, and what form should the policy take? How should such an effort be administratively supported? • How should the housing activities of the Housing Commission and Disability Commission be coordinated? Which body should take the lead on housing accessibility issues? • Are PDCs adequately structured and resourced to effectively carry out regional housing needs assessment and planning? • Are DHCD's administrative resources commensurate with its responsibilities for assessing needs, recommending housing policies and providing planning assistance to PDCs and local governments? • Are the Center of Housing Research's funding resources commensurate with its responsibility for conducting research to inform state and local housing needs assessment and policy development?
	Establishment of Administration ad hoc commissions and task forces to consider significant policy matters <ul style="list-style-type: none"> • Establishment by the Governor of the Olmstead Task Force to develop disability service policies and priorities • Establishment by the Governor of an Urban Policy Task Force to address policies related to urban growth, development and revitalization • Establishment of the Aging Services Task Force under the Secretary of Human Resources to develop senior assisted living and service policies • Establishment of task forces under the Secretary of Commerce & Trade to consider the impact of local and state regulatory barriers on housing affordability (early 1980's and mid 1990's) 	
	Assignment of ongoing agency responsibility for policy development and planning <ul style="list-style-type: none"> • Assignment to DHCD of lead agency responsibility for recommendation of housing and community development policies, including strategies for addressing the housing needs of the elderly and people with disabilities • Assignment to DHCD of responsibility for developing the state's HUD Consolidated Plan identifying Virginia's policies and priorities for use of federal formula-based housing subsidies, primarily outside entitlement communities. • Assignment to VHDA of responsibility for developing an annual Qualified Allocation Plan (QAP) for distributing federal Low-Income Housing Tax Credits 	
	Assessment of housing needs and analysis of housing policy issues <ul style="list-style-type: none"> • Creation of Planning District Commissions to assess regional needs and establish service plans • Assignment to DHCD of lead state agency responsibility for assessment of housing needs and provision of assistance to Planning District Commissions and local governments in carrying out regional and local housing and community development planning • Establishment of the Virginia Center for Housing Research at Virginia Tech to conduct research and analysis in support of state, regional and local housing planning and policy development • Joint DHCD/VHDA development of 2001 housing needs assessment under the direction of the Secretary of Commerce & Trade, and use of the findings to establish program and funding priorities 	

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Ensuring effective and efficient use of state and local housing resources to address housing priorities	Exercise of legislative agency oversight <ul style="list-style-type: none"> • Exercise of oversight by standing legislative commissions (Housing Commission, Disability Commission and JLARC) 	<ul style="list-style-type: none"> • How can state housing and human services resources better be coordinated/ managed across secretarial lines, and agency policy and budget silos? • How can state human service agencies best coordinate state and federal service resources with local government and RHA controlled housing resources and programs? • How should limited state subsidy resources be balanced between high cost/high growth regions and distressed urban and rural communities? • How can state and locally administered subsidies be better coordinated to ensure optimal use of limited public resources? • How can state and local public resources best leverage private sector investment? • Are PDCs adequately structured to effectively coordinate/manage inter-governmental housing and resource allocation issues within their regions?
	State and local housing agency coordination <ul style="list-style-type: none"> • Overlapping VHDA/DHCD Board representation • VHDA/DHCD program coordination/joint program administration • Use of SPARC and Regional Loan Fund programs to support local/regional partnerships and leverage local funds • Use of annual state housing conference to promote best practices and build public/private affordable housing delivery capacity 	
	Formal administrative structures for housing and human service agency cooperation <ul style="list-style-type: none"> • Use of interagency task forces and workgroups—e.g.: <ul style="list-style-type: none"> – Olmstead Task Force/Implementation Team – Disability Commission's Housing Workgroup – Policy Academy to End Chronic Homelessness – Aging Services Task Force 	
	Management of local affairs/ Regional coordination and planning <ul style="list-style-type: none"> • Creation and support of regional Planning District Commissions • Commission on Local Government • VHDA Local Government Advisory Board 	
Promoting development and preservation of viable and diverse local communities and urban and rural regions	Local comprehensive planning and land use/ zoning regulations <ul style="list-style-type: none"> • State legislation mandating local comprehensive plans that consider the housing needs of all income groups and the elderly/disabled • State legislation mandating local zoning, and setting parameters on local land use/zoning requirements, procedures and enforcement <ul style="list-style-type: none"> – Authorization of local ADU ordinances – Authorized local use of proffers, impact fees and other regulatory practices with impact on housing affordability 	<ul style="list-style-type: none"> • How can Virginia best achieve coordination of economic development, transportation and housing planning? • How can inter-jurisdictional cooperation be achieved in metropolitan areas in order to address regional housing/community development needs? • Should the state develop an urban policy? If so, then what should be its focus (e.g., metropolitan growth and development, revitalization, de-concentration of poverty, etc.)? • Should DHCD's housing and community development programs have greater focus on urban development/revitalization issues? If so, then what level of resources would be necessary to support this? • How can concentration of poverty best be overcome/avoided? How can low-income households be assured adequate housing choice outside areas of poverty concentration with growing economic opportunities? • Are proffers, impact fees and other regulatory requirements/fees being appropriately used? What is their impact on housing costs? Do the community benefits outweigh the cost to homebuyers and renters? • How can reasonable use of eminent domain by RHAs be maintained while ensuring that property rights are adequately protected?
	State and local housing and community development programs <ul style="list-style-type: none"> • Authorization for localities to create redevelopment and housing authorities (RHAs) with eminent domain powers to plan and implement housing and community development programs • Authorization for Enterprise Zones and administration of Main Street program by DHCD • Authorization for VHDA to finance mixed-income and mixed use developments in community revitalization areas • Use of LIHTC allocation incentives to encourage development of affordable rental housing in low poverty areas 	

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Ensuring an adequate supply of affordable housing	Land use/ zoning	See above	<ul style="list-style-type: none"> • How can/should Virginia best ensure an adequate supply of affordable housing? • How can Virginia ensure that local governments adequately plan for and promote housing development to meet their share of regional workforce housing needs? • What should be Virginia's role regarding the use of manufactured housing to meet affordable housing needs? • What is the appropriate balance of effort to control/reduce housing costs between: <ol style="list-style-type: none"> 1. provision of housing finance/development subsidies; 2. reduction in regulatory/fee barriers to affordable housing development? • What are the respective state and local responsibilities for providing housing development subsidies and/or incentives? To what extent are state and local governments able/willing to replace cuts in federal funding? • What is the likely future capacity of RHAs to implement local housing development and preservation programs in light of federal program changes and cutbacks? • How can NIMBY barriers be most effectively overcome?
	Provision of affordable mortgage financing for affordable housing development and preservation	<ul style="list-style-type: none"> • Allocation of a portion of state's annual tax-exempt revenue bond authority to VHDA and local RHAs to support affordable mortgage lending programs • VHDA reliance on agency credit ratings for bond issuance rather than state moral obligation • Previous appropriation of state funds (VHPF) and use of federal funds (HOME) to support DHCD subsidized lending programs • Use of VHDA net earnings to support subsidized lending programs (VHF and REACH) • Creation of VA Foundation for Housing Preservation (statewide CDFI) and state community development bank • LIHTC incentives provided for preservation of affordable units/ Special pool of credits created to support preservation in NoVA 	
	Provision of development subsidies and developer incentives	<ul style="list-style-type: none"> • Primary reliance on federal subsidies to meet low-income needs • Allocation of federal Low-Income Housing Tax Credits by VHDA under an annual Qualified Allocation Plan (QAP) • Appropriation of state funds (e.g., VHPF) and use of federal funds (e.g., HOME & CDBG) to support DHCD grant programs • Use of state tax credits to support housing and community development programs: <ul style="list-style-type: none"> <li style="width: 50%;">– Tax check off for housing <li style="width: 50%;">– Rent reduction tax credits <li style="width: 50%;">– State add-on to federal LIHTC <li style="width: 50%;">– Neighborhood Assistance Act 	
	Linkage of workforce housing with jobs creation/retention	<ul style="list-style-type: none"> • Development of state housing programs and services to address military housing needs arising from BRAC redeployments and privatization of military housing programs • Provision of VHDA mortgage program support for state economic development incentive packages, local workforce housing programs, and private employer assisted housing programs 	
	Addressing NIMBY barriers	<ul style="list-style-type: none"> • Restriction of local comment on VHDA multifamily financing to issues of substantial noncompliance with zoning and land use requirements • Creation of Housing Virginia 	

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Promoting homeownership	Provision of affordable mortgage financing for home purchase	<ul style="list-style-type: none"> • Allocation of a portion of state's annual tax-exempt revenue bond authority to VHDA and local RHAs to support affordable mortgage lending programs • Previous appropriation of state funds (VHPF) and use of federal funds (HOME) to support DHCD subsidized lending programs • Use of VHDA net earnings to support subsidized lending programs (VHF and REACH) • Use of VHDA SPARC program to leverage local down payment assistance and mortgage write-downs 	<ul style="list-style-type: none"> • How can/should Virginia best ensure an adequate supply of affordable homes for first-time buyers? What should be Virginia's role regarding the use of manufactured housing to provide affordable homes? • What is the appropriate balance of effort to control/reduce home costs between: <ol style="list-style-type: none"> 1. provision of housing finance/development subsidies; 2. reduction in regulatory/fee barriers to affordable home development? • What are the respective state and local responsibilities for providing homeownership subsidies and/or incentives? • How can homeownership disparities between non-Hispanic Whites and minority populations best be addressed • Should Virginia restrict/prohibit "predatory" lending practices? If so, then how should "predatory" practices be defined? • To what extent should Section 8 voucher assistance be used to subsidize homeownership?
	Provision of homebuyer education/Promotion of financial literacy	<ul style="list-style-type: none"> • VHDA supported statewide homeownership education program • Support of financial literacy programs in the public schools through the Virginia Council for Economic Education 	
	Targeted outreach to underserved populations	<ul style="list-style-type: none"> • VHDA outreach programs focused on homeownership needs of minorities and diverse cultures 	
Maintaining an adequate housing safety net	Provision of deep operating and tenant subsidies for permanent rental housing	<ul style="list-style-type: none"> • Primary reliance on federal subsidies to meet low-income needs • Reliance on local RHAs to apply for and administer federal housing subsidies, especially subsidies assisting the lowest income populations • Reliance on VHDA to administer federal rent subsidies in localities lacking the local ability and/or willingness to do so • VHDA devolution of Housing Choice Voucher administrative responsibility to able and willing local agencies • Reliance on state Auxiliary Grants to subsidize the housing and service needs of the frail elderly and people with disabilities 	<ul style="list-style-type: none"> • What role should the state play in assuring an adequate housing safety net? Should the state provide funding for rental subsidies to supplement federal subsidy programs or offset federal cuts? • What is the likely future capacity of RHAs to administer federal subsidy programs in the event of further public housing/ voucher reform and cuts in administrative funding? • Are there more cost-efficient and effective means for subsidizing housing and services for low-income seniors and people with disabilities than through the current Auxiliary Grant program? • Are public resources adequate to achieve the Policy Academy's goal of ending chronic homelessness within 10 years? • Is Virginia adequately prepared to deal with the impact of a major natural disaster or terrorist event on the housing stock?
	Provision of emergency and transitional housing, and support services	<ul style="list-style-type: none"> • Appropriation of state funds for homelessness assistance/ Funding of state homelessness prevention program • Adoption of a "housing first" model for the delivery of state homeless assistance services 	
	Provision of housing assistance to victims of natural disasters	<ul style="list-style-type: none"> • Reliance on short-term assistance through FEMA and private charities, with state provision of long-term assistance through existing housing programs and resources 	

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Ensuring adequate housing quality and safety, and addressing environmental and energy concerns	Assuring housing quality and safety	<ul style="list-style-type: none"> • Adoption of uniform statewide codes enforced by local officials w/ state training & assistance <ul style="list-style-type: none"> – Building Code – Fire Safety Code – Manufactured Housing Code – Rehabilitation Code • Strong oversight of housing design/quality in VHDA rental programs/ Housing quality standards and incentives included in LIHTC QAP 	<ul style="list-style-type: none"> • How can Virginia best promote public and professional understanding and application of current accessibility requirements (e.g., Fair Housing Act provisions)? • How should Virginia encourage: <ol style="list-style-type: none"> 1. adoption of universal design and "visitability" standards in new housing? 2. availability of high-speed Internet access for low- and moderate-income residents of multifamily housing? Should requirements be imposed in the building code or state housing programs, or should Virginia instead rely on education and incentives? • How can Virginia best ensure that localities and RHAs are using their eminent domain powers appropriately? • Are current means of protecting homebuyers from contractor use of unsafe/substandard building products adequate? • How can Virginia best to remediate environmental hazards without creating excessive cost burdens on developers and homeowners? • Should the state go beyond reliance on current lead disclosure rules and competitive federal grants to accelerate reductions in lead hazards? • How can community concerns regarding housing overcrowding in Northern Virginia best be addressed?
	Elimination of substandard housing conditions	<ul style="list-style-type: none"> • Authorization for localities and RHAs to use eminent domain to remove blight/Use of state programs to assist RHAs in redeveloping/conserving blighted areas • Priority on the adequacy of water/sewer systems/State funding of DHCD programs to address units lacking plumbing/Use of federal funds to address water/sewer system needs in low-income rural communities 	
	Elimination of environmental hazards	<ul style="list-style-type: none"> • Development of state brownfield remediation and lead-based paint hazard reduction programs 	
	Promoting energy conservation/efficiency, and use of green building practices	<ul style="list-style-type: none"> • Use of federal energy funds to promote energy improvements by homeowners and rental property owners (early 1980s's) • Adoption of incentives for energy efficiencies and green building in the LIHTC QAP 	
Protecting individual rights, and balancing the needs of individuals/private interests and communities	Regulation of business and governmental practices <ul style="list-style-type: none"> • Adoption of omnibus statewide regulations <ul style="list-style-type: none"> – Virginia Fair Housing Act – Landlord/Tenant Act – Condominium Act • State regulation of banking practices, and regulation/ Licensing by DPOR of real estate agents, brokers, contractors and other housing industry professionals • Authorization of the use of eminent domain by state and local governments, RHAs and public service corps. • Removal by VHDA Board of restriction on home purchase lending to unrelated borrowers 		<ul style="list-style-type: none"> • Should Virginia restrict/prohibit "predatory" lending practices? If so, then how should "predatory" practices be defined? • How can Virginia best stem the loss of affordable rental units to condominium conversion in tight, high-cost rental markets? • Should nonprofit housing organizations and tenants groups be granted right of first refusal in order to preservation affordable rental units in tight, high-cost markets? • How can low-income households be assured adequate housing choice in areas of economic opportunity and outside of areas of poverty/minority concentration? • What is the appropriate balance between community needs and individual property rights in the exercise of eminent domain?

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<p>Enabling people to obtain affordable, accessible shelter and needed support services</p>	<p>Formal administrative structures for interagency cooperation between housing and human service agencies</p> <ul style="list-style-type: none"> • Use of interagency task forces and workgroups—e.g.: <ul style="list-style-type: none"> – Olmstead Task Force and implementation team – Policy Academy to End Chronic Homelessness – Disability Commission's Housing Workgroup – Aging Services Task Force • Use of interagency memoranda of understandings (e.g., previous VHDA/DHMHRSAS MOUs governing joint programs to house people with mental disabilities) 	<ul style="list-style-type: none"> • How can Virginia best address the need for affordable community housing and access to services for persons needing to be transitioned out of institutional settings? • How should Virginia address the housing needs of the growing population of frail elderly? What will be Virginia's approach to supporting affordable assisted living? • How should Virginia address prisoner reentry needs? • How can Virginia ensure that local governments adequately plan for and address the housing and service needs of their disabled and senior populations? • Are there more cost-efficient and effective means for subsidizing housing and services for low-income seniors and people with disabilities than through the current Auxiliary Grant program? • How can Virginia best support affordable and quality assisted living? Are new and/or higher assisted living subsidies warranted? How can the needs of growing numbers of low-income seniors and people with disabilities best be balanced with the state's fiscal limitations? • How can undo concentration of licensed group homes best be avoided? • Should the current enabling law addressing the zoning of group homes be modified to cover other categories of residents or further limited in its application?
	<p>Provision of deep operating and tenant subsidies for community-based housing and supportive services</p> <ul style="list-style-type: none"> • Reliance on state Auxiliary Grants to subsidize the housing and service needs of the frail elderly and people with disabilities 	
	<p>Local comprehensive planning and land use/zoning regulations</p> <ul style="list-style-type: none"> • State enabling legislation mandating local comprehensive planning that considers the housing needs of all income groups, the elderly and people with disabilities <ul style="list-style-type: none"> – Requirement that state-licensed group homes of 8 or less beds be treated as single-family dwellings 	