



2011 Potential Legislative Issues & Topics

1. Housing Trust Funds: The Virginia Housing Coalition has for several years advocated and lobbied for the adoption of a statewide Housing Trust Fund with a dedicated source of revenue patterned after the Virginia Housing Partnership Fund. The **adoption of Virginia Housing Trust Fund legislation remains the highest priority** of the Virginia Housing Coalition. This legislation has been introduced in the last four sessions of the General Assembly. While the current state budget condition precludes the possibility of providing immediate funding to this initiative, the Coalition is dedicated to continuing the dialogue about how best to structure this effort when state budget conditions improve.

Virginia remains as one of only a handful of states that do not have a state housing trust fund. The continuing housing crisis is a reminder that a flexible source of funds that are dedicated to improving housing opportunities can be a valuable asset to the Commonwealth – not just for families in need of housing but to impact overall economic conditions throughout the housing sector.

A number of localities over the past several years have either created or considered the establishment of a local housing trust fund to address local housing needs. Given the current economic conditions, the local trust funds that were established have been under attack. Currently, some sections of the Code of Virginia reference housing trust does not specifically authorize localities to establish local or regional housing trust funds, but there is no clear, broad based enabling language that clarifies the establishment and operations of local and regional housing funds.

Last year the Coalition promoted legislation to create a uniform enabling framework for local and regional trust funds. This effort became caught up in the “proffer” debate within the GA and was eventually referred to the Housing Commission. Efforts are underway to see if language can be developed that will not jeopardize any existing and proposed local housing funds while still creating a clear path for new communities to develop programs.

Sample Legislation

- Statewide Housing Trust Fund
- Enabling legislation authorizing local and regional housing trust funds

2. Anti-Nimby Initiative / Fair Housing : The “Not in My Back Yard” or NIMBY syndrome is found in just about every community. NIMBYism affects many types of developments from commercial to residential to transportation and public use. Often,

the fears of existing residents in the community are based upon misperceptions and wrong information. In some cases, however, they are based upon prejudice and intolerance. NIMBYs come out in full force at local zoning hearings, and quite frequently they are successful in persuading government officials to deny new developments just because they intend to include affordable housing.

Last year, the Coalition supported legislation that would help local governments overcome the forces of NIMBYism that battle affordable housing by outlawing discrimination against affordable housing. The bill added another protected class to Virginia Fair Housing law – affordable housing (defined as “intended for occupancy by families or individuals with incomes at or below eighty percent of the area median income”). This would give localities a tool that could be used to stand up to those who are opposed to creating greater diversity in our communities.

The Coalition also supported legislation last year to remove the “single family” exemption from the Virginia Fair Housing Law. Currently, property owners who own three or less single-family homes are exempt from most of the anti-discrimination provisions of the Virginia Fair Housing Law (except discriminatory advertising / statements and restrictive covenants – no one is exempt from those). That means they can currently **legally discriminate**. This bill would remove that single-family exemption and bring those property owners under the protections of the Fair Housing Law.

Sample Legislation

- Adopt the Anti-NIMBY legislation that was introduced in 2010 Session .
- Remove the “single family exemption” from Fair Housing Law.

3. Mixed-income and Mixed-use Land Development: As the Commonwealth moves toward developing more efficient land use patterns that reduce sprawl, the Coalition sees the opportunity to encourage localities to include affordable housing in their planning efforts. The Housing Coalition was successful in amending the 2006 comprehensive transportation bill providing that housing meeting the needs of all family incomes be incorporated into the planning for Urban Development Areas (UDA’s). The purpose of the UDA’s is to allow for more efficient transportation patterns through higher housing development densities. Current development standards adopted by state agencies, VDOT, DCR, etc often do not reflect the New Urbanism design principles.

Sample Legislation

- Require planning for a range of housing options, including affordable housing, in UDA’s.
- Pass a resolution requiring that a study commission be tasked with reviewing the development standards of state agencies related to the implementation of New Urbanism development.

4. Foreclosures and Neighborhood Stabilization: The Commonwealth, while in substantially better shape than many states, is experiencing large numbers of foreclosures in select areas of the state. This trend is expected to continue through

2010. The Federal Government has recently enacted a number of measures to reduce the number of foreclosures and reduce the impact of the foreclosures on neighborhoods and communities. The adverse impacts of the foreclosures are being felt throughout the real estate markets and definitely in select neighborhoods. Legislation adopted in 2009 provided for the notification of pending foreclosure action to localities in Northern Virginia area but does not apply to other areas of the Commonwealth. Last year, the Coalition was unable to identify a sponsor for an effort to expand this notification to the balance of the state. While foreclosures are declining in Northern Virginia, they are still rising in the balance of the state.

State law currently provides greater protections, including required timeframes and notifications for residents of rental properties that are being foreclosed than for owner occupants. Some states offer greater protections for homeowners – for example, access to pre-foreclosure counseling with mandatory forbearance on the part of the lender. Some states impose greater requirements on banks for the cleaning, repair and maintenance of foreclosed properties' including the appointment of "conservators" – usually non-profit organizations that undertake the repair and maintenance. .

Continued revitalization of older and middle-aged neighborhoods is vitally important to the stabilization and revitalization of our older areas of our communities. Virginia's historic Tax Credit program has encouraged the preservation of historic properties and revitalization of historic areas. State tax credits have also been used to stimulate rehabilitation of depressed Enterprise Zone areas.

Sample legislation

- Extend the scope of the foreclosure legislation to all localities of the State.
- Provide greater protections to homeowners in the foreclosure process
- Study the use of "conservators" for vacant and foreclosed properties.
- Provide localities with tools to ensure that foreclosed properties are maintained.
- Expand the rehabilitation tax credit beyond Enterprise Zones to all neighborhoods that are over 25 years of age.

5. Green Development: Today's marketplace is very energy and environmental conscious requiring that our built environment be energy efficient and environmentally friendly. Recent legislation at the federal level continues to place requirements that all new construction conform to the latest energy efficiency standards. The significant increase in federal funding for weatherization and the adoption of federal income tax credits for energy efficiency improvements will result in more energy efficiency of our older housing stock.

Green building standards have now evolved to green land development standards with the recent roll-out of green certification programs for neighborhoods and communities by EarthCraft and LEED. These standards have yet to be implemented in any significant way in Virginia. The Coalition favors future development patterns and practices that result in the construction of "green buildings in green communities".

Regional “energy coalitions” are forming in some areas of the state (Charlottesville, Richmond, Hampton Roads). These groups are organizing to expand public awareness, advance public policy and create and implement programs to improve the energy efficiency of residential and commercial buildings.

Sample Legislation

- Adopt an State income tax credit program for energy efficiency similar to the federal tax credit
- Require that localities adopt low-impact development provisions in their site plan approval processes

6. Community Housing Land Trusts: Land trusts are a growing and recognized way of achieving land use development policy goals. Virginia has several land trusts that are focused on the preservation of open space, sensitive environmental areas and farmland. The Virginia Conservation Easement tax credit has created a strong financial incentive for donors to consider such gifts.

Land Trusts can also be used to achieve housing affordability goals. A Community Land Trust (CLT) is a local nonprofit 501(c)(3) organization created to hold land for the benefit of a community and its residents. CLTs provide 99-year renewable leases to homeowners, rental residents, co-op or condominium associations, and commercial or community facilities that are located on CLT-owned land. The buildings remain permanently affordable through resale provisions which balance a fair return on investment with future affordability. For three decades, community land trusts (CLTs) in the US have been rebuilding neighborhoods and providing **permanently affordable** homeownership and rental opportunities for low-income people in urban and rural communities.

Sample Legislation

- Study resolution to explore options for use of the Community Land Trust model in Virginia
- Study potential for an affordable housing land trust / easement tax credit

7. Elderly, Special Needs, Homeless: The Commonwealth’s rapidly increasing older population combined with increasing life expectancies with the attendant rise in health care costs requires our society to find ways to keep our aging and disabled population in their homes longer and provide a greater range of housing options to those who need alternate living environments.

Permanent supportive housing is generally regarded as the best permanent solution to chronic homelessness. This housing typically requires special use permits and hearings. It also requires long term supportive services funding that is tied to the project.

Sample Legislation

- Seek opportunities to increase accessibility in new and existing residential units
- Seek opportunities to make supportive housing more widely included in land use planning.