



Home Builders Association of Virginia

2020 Legislative Agenda

HB 810 (Bourne) - Virginia Housing Opportunity Tax Credit:

HBAV is seeking legislation to establish a stakeholder advisory group ("SAG") within the Department of Housing and Community Development to develop a *Virginia Housing Opportunity Tax Credit*. Like the Federal Low-Income Housing Tax Credit (LIHTC), a *Virginia Housing Opportunity Tax Credit* would provide incentives for the utilization of private equity in the construction of affordable housing in Virginia. The SAG will develop model legislation and regulations for the tax credit and will also conduct financial modeling to determine the fiscal impact to the Commonwealth of Virginia of various levels of funding for the tax credit. Actual implementation of the tax credit will be subject to approval by the General Assembly in future Sessions, as well as other state regulatory changes.

HJ 2 (Bourne) - Constitutional Amendment – Tax Abatement for New Construction Affordable Housing:

This amendment to the Constitution of Virginia would allow the Virginia General Assembly to authorize local governments to enact tax abatement programs for ***new construction*** affordable housing. Under the current Constitution and Code of Virginia, localities are only permitted to enact tax abatement programs for the rehabilitation or renovation of existing structures and new construction projects only in limited circumstances. Rehabilitation tax abatement programs have been used to transform dilapidated, vacant, and under-utilized structures into revenue-generating residential and commercial opportunities. Tax abatements for new construction affordable housing would incentive the construction of affordable housing units by reducing soft costs during development and construction.

HB 1101 (Carr) / SB 834 (McClellan) - Affordable Dwelling Unit Ordinances:

Affordable housing developments are becoming increasingly more difficult to finance and build. The rising cost of land, labor, and materials has widened the gap between the cost of construction and the rents or sales price that most individuals and families can afford. Antiquated zoning ordinances, excessive parking requirements, height restrictions, setback requirements, and other local policies also have a significant impact on the industry's ability to meet the growing demand for new affordable for-sale or rental housing units. The Code of Virginia already contains several statutes that allow localities to enact "affordable dwelling unit ordinances". This legislation would create a new, *optional* tool for localities to reduce the economic barriers to entry for affordable housing projects by offering density bonuses and waivers or reductions of local development standards such as parking requirements, height restrictions, setbacks, buffers, and other local regulations. These incentives have proven to be effective ways to help the private-sector and non-profit development community offset the cost of providing below-market-rate units.

For More Information:

Andrew Clark, Vice President of Government Affairs
Home Builders Association of Virginia
AClark@HBAV.com
(978) 460-1331

HB 520 (Bulova) - Tree Planting and Preservation Incentives:

This legislation will establish a stakeholder advisory group (“SAG”) within the Department of Environmental Quality for the purpose of evaluating tree planting or preservation as a land cover type as well as a stormwater management best management practice (“BMP”). The SAG will also make recommendations as to whether such a practice shall be deemed a creditable BMP and, if so, how much credit shall be given for its optional use.

HB 929 (Jones; Coyner) Vested Rights – Right of Way Dedications:

For larger master-planned communities, the initial costs of land acquisition, planning, infrastructure, and development are high; as a result, these communities are typically built in phases. This allows developers to manage their workload, evaluate future economic conditions and housing demand, minimize impact to adjacent existing communities, and secure financing. To facilitate this type of smart growth, the Code of Virginia contains several provisions which provide property owners predictability in the constantly evolving local land-use environment. In master-planned phased communities, developers rely on a locality’s acceptance of public rights of way (ROW) for future phases. The Code of Virginia currently allows a developer to rely on ROW dedications indefinitely, but only if the dedication was made on a final recorded subdivision plat that also shows a residential lot that has been sold. If the plat does not contain a sold residential lot, the locality is able to vacate the ROW after five years, which negatively impacts a developer’s ability to pursue phased communities. HBAV is seeking legislation to eliminate the unique “lot sale” distinction and allow a property owner to rely upon a dedication indefinitely as long as the plat is recorded and accepted by the locality.

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