

2001 SESSION

HOUSE SUBSTITUTE REPRINT

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SENATE JOINT RESOLUTION NO. 446
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Rules
on February 19, 2001)

(Patrons Prior to Substitute—Senators Whipple and Watkins [SJR 437])

Directing the Housing Study Commission, with the assistance of the Virginia Housing Development Authority and the Virginia Department of Housing and Community Development, to study certain housing issues.

WHEREAS, the need for additional safe, secure, and affordable housing has been identified in the Commonwealth; and

WHEREAS, there is an absence of any annual statistics on affordable housing in Virginia, despite the fact that such statistics could be generated; and

WHEREAS, the absence of annual statistics on affordable housing prevents the government entities involved from understanding and planning for housing affordability; and

WHEREAS, the increasing insistence by localities in planning and zoning decisions that housing "pay its own way" puts builders of affordable housing at a disadvantage; and

WHEREAS, affordable housing includes all types of homes, including site-built, manufactured and modular, and provides good value to home owners; and

WHEREAS, House Joint Resolution 254 of the 2000 Session directed the Virginia Housing Study Commission, with the assistance of the Virginia Housing Development Authority and the Virginia Department of Housing and Community Development, to study strategies for increasing home ownership opportunities among minorities and new citizens of the United States; and

WHEREAS, home ownership is widely regarded as a key to strong and vital communities, and to generating personal wealth and ongoing self-sufficiency; and

WHEREAS, one of the stated goals of the Commonwealth is to increase home ownership opportunities; and

WHEREAS, affordable housing is needed to house young and retired home buyers and to support industry and business that localities seek; and

WHEREAS, while home ownership rates overall in the Commonwealth have steadily increased in recent years, home ownership rates among minorities have not increased in proportion to overall home ownership rates; and

WHEREAS, the Virginia Housing Study Commission has begun the study directed by House Joint Resolution 254 (2000) and brought together leaders in the real estate, mortgage lending, banking and home building industries, as well as nonprofit housing leaders, federal, state, and local housing officials, and representatives of Fannie Mae, Freddie Mac, and the Federal Reserve Bank to assist in this study; and

WHEREAS, the Virginia Housing Study Commission has unanimously recommended that the study be continued so that additional issues related to home ownership among minorities and new immigrants may be more fully explored; and

WHEREAS, in 48 states, real estate licensees are entitled to be compensated for actual services performed for a mortgage lender in accordance with the Real Estate Settlement Procedures Act; and

WHEREAS, in Virginia, the Mortgage Lender and Broker Act expressly prohibits real estate licensees from receiving such compensation unless such licensees are employed or affiliated as independent contractors with a real estate broker who was grandfathered under the Mortgage Lender and Broker Act, in February, 1989; and

WHEREAS, the issue has been raised as to whether the period of developer control of a property owners' association should be limited to the point at which three-fourths of the lots, as designated in the plan for development filed with the locality, have been conveyed as improved lots to owners in the association; and

WHEREAS, property designated by a housing authority, pursuant to the Virginia Housing Authorities Law, as part of an approved redevelopment plan may be scheduled for acquisition by such authority 10 or more years after the initial announcement of the redevelopment plan or never actually acquired; and

WHEREAS, such practice may result in property within the redevelopment area sitting vacant or boarded, awaiting redevelopment or demolition, as neighboring property owners continue in limbo; and

WHEREAS, increasingly, the rights and responsibilities of housing authorities and property owners must be balanced, particularly given the diminution of federal resources for redevelopment projects; and

WHEREAS, building codes at the state and federal level have developed largely uniform standards of quality and safety for all types of homes; and

WHEREAS, some formulations of such products, including fire retardant-treated plywood,

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60 polybutaline pipe and EIFS (exterior insulation and finish system, also known as "synthetic stucco")
61 have fallen short of their promised benefits; and

62 WHEREAS, the result of the relative failure of some formulations of such products to meet
63 manufacturer-set expectations is that Virginia citizens are forced to bear the cost of replacement of or
64 repair to these new building products, resulting in a cost of millions of dollars for which reimbursement
65 or indemnification, where available, is limited; and

66 WHEREAS, nevertheless, over the past several years, many new and innovative building products
67 have been introduced into the housing construction market, and Virginia needs to take advantage of new
68 home building technologies such as modular housing components to make affordable housing more
69 feasible; and

70 WHEREAS, completed, comparably priced site-built, modular and manufactured homes are
71 indistinguishable from one another due to advances in design technology; and

72 WHEREAS, manufactured housing inspection and construction systems have demonstrated that cost
73 can be reduced while housing value is enhanced; and

74 WHEREAS, site builders recognize that their current code inspection systems are inefficient and
75 cause unnecessary home cost increases; and

76 WHEREAS, the aforementioned housing issues need to be addressed to ensure affordable, safe, and
77 secure home ownership, and to enable the Commonwealth to meet its goal of increased home ownership
78 opportunities, including among minorities and new citizens of the United States; now, therefore, be it

79 RESOLVED by the Senate, the House of Delegates concurring, That the Virginia Housing Study
80 Commission, with the assistance of the Virginia Housing Development Authority and the Virginia
81 Department of Housing and Community Development, be directed to study certain housing issues. The
82 Virginia Housing Study Commission shall conduct the following: (i) the continuing study of strategies
83 for increasing home ownership opportunities in the Commonwealth among minorities and new
84 immigrants, as provided in Senate Joint Resolution 446 (2001) as introduced and with the assistance
85 from the Virginia Housing Development Authority and the Virginia Department of Housing and
86 Community Development; (ii) the study of current practices of certain housing authorities in designating
87 an area as a redevelopment area but not concluding the project in a timely manner, as provided in the
88 Amendment in the Nature of a Substitute for House Joint Resolution 619 (2001) adopted by the House
89 Rules Committee; (iii) the study of the feasibility and appropriateness of requiring warranties or some
90 form of insurance on new building products introduced into the housing construction market, as
91 provided in the Amendment in the Nature of a Substitute for House Resolution 620 (2001) adopted by
92 the House Rules Committee and with the assistance from the Department of Housing and Community
93 Development; (iv) the study of whether real estate licensees should be entitled to receive compensation
94 under Virginia law for actual services performed in accordance with the Real Estate Settlement
95 Procedures Act; (v) the study of whether the period of developer control of a property owners'
96 association should be limited to the point at which three-fourths of the lots, as designated in the plan for
97 development filed with the locality, have been conveyed as improved lots to owners in the association;
98 (vi) a study of certain other issues relating to property owners' associations as noted in Senate Bill 1423
99 (2001); and (vii) the impact of new home building technologies and current building code inspection
100 systems on the availability of affordable housing, pursuant to Senate Joint Resolution 437 (2001) as
101 amended by the Senate Committee on Rules and passed by the Senate of Virginia.

102 All agencies of the Commonwealth shall provide assistance to the Virginia Housing Study
103 Commission, upon request.

104 The Virginia Housing Study Commission shall complete its work in time to submit its written
105 findings and recommendations by November 30, 2001, to the Governor and the 2002 Session of the
106 General Assembly as provided in the procedures of the Division of Legislative Automated Systems for
107 the processing of legislative documents.