

# VIRGINIA ACTS OF ASSEMBLY -- 2006 SESSION

## CHAPTER 784

*An Act to amend and reenact §§ 36-2, 36-3, 36-4, 36-4.1, 36-19, 36-19.2, 36-27, 36-48, 36-48.1, 36-49, 36-49.1, 36-49.1:1, 36-50 through 36-52.1, 36-52.3, 36-53, 36-55.30:2, 36-60, and 58.1-3245.1 of the Code of Virginia, to amend the Code of Virginia by adding a section numbered 36-9.1, and to repeal § 36-39 of the Code of Virginia, relating to the Housing Authorities Law.*

[H 699]

Approved April 6, 2006

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 36-2, 36-3, 36-4, 36-4.1, 36-19, 36-19.2, 36-27, 36-48, 36-48.1, 36-49, 36-49.1, 36-49.1:1, 36-50 through 36-52.1, 36-52.3, 36-53, 36-55.30:2, 36-60, and 58.1-3245.1 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding a section numbered 36-9.1, as follows:**

§ 36-2. Findings and declaration of necessity.

(1) ~~It is hereby declared that the clearance, replanning and reconstruction of the areas in which insanitary or unsafe housing conditions exist and the providing of safe and sanitary dwelling accommodations for persons of low income A. It is hereby found and declared that:~~

*1. Blighted areas exist in the Commonwealth, and these areas endanger the health, safety, and welfare of the citizens of the Commonwealth;*

*2. The elimination of blight and redevelopment of blighted areas through the designation of redevelopment areas and the adoption and implementation of redevelopment plans for such areas; the prevention of further deterioration and blight through the designation of conservation areas and the adoption and implementation of conservation plans for such areas; and the designation of individual properties as blighted under the "spot blight" provisions of this chapter are public uses and purposes for which public money may be spent and private property acquired by purchase or through the exercise of the power of eminent domain as authorized by this chapter, and are governmental functions of grave concern to the Commonwealth;*

*3. As a part of a redevelopment or conservation plan, it is a public purpose to provide public facilities including, but not limited to, roads, water, sewers, parks, and real estate devoted to open-space use as that term is defined in § 58.1-3230 within redevelopment and conservation areas; and*

*4. It is a public purpose to promote the availability of affordable housing for all citizens of the Commonwealth and in particular to provide safe, decent, and sanitary housing for those citizens with low or moderate incomes. To that end, (i) the clearance, replanning, and reconstruction of the areas in which insanitary or unsafe housing conditions exist and the providing of safe and sanitary dwelling accommodations for persons of low or moderate income and (ii) the sale or lease of land and the acquisition, construction, rehabilitation, and operation of residential housing units for persons of low and moderate incomes are necessary for the public welfare and are public uses and public purposes for which public money may be spent and private property acquired by purchase or through the exercise of the power of eminent domain as authorized in this chapter and are governmental functions of grave concern to the Commonwealth.*

(2) ~~B. The necessity in and the public interest purpose for the provisions hereinafter enacted is~~ hereby declared as a matter of legislative determination.

§ 36-3. Definitions.

The following terms, when used or referred to in this chapter, shall have the following respective meanings, unless a different meaning clearly appears from the context:

*"Area of operation" means an area that (i) in the case of a housing authority of a city, shall be coextensive with the territorial boundaries of the city; (ii) in the case of a housing authority of a county, shall include all of the county, except that portion which lies within the territorial boundaries of (a) any city, and (b) any town that has created a housing authority pursuant to this chapter; (iii) in the case of a housing authority of a town, shall be coextensive with the territorial boundaries of the town as herein defined.*

(a) ~~"Authority" or "housing authority" shall mean~~ means any of the political subdivisions created by § 36-4.

*"Blighted area" means any area that endangers the public health, safety or welfare; or any area that is detrimental to the public health, safety, or welfare because commercial, industrial, or residential structures or improvements are dilapidated, or deteriorated or because such structures or improvements violate minimum health and safety standards. This definition includes, without limitation, areas previously designated as blighted areas pursuant to the provisions of Chapter 1 (§ 36-1 et seq.) of this title.*

*"Blighted property" means any individual commercial, industrial, or residential structure or improvement that endangers the public's health, safety, or welfare because the structure or improvement upon the property is dilapidated, deteriorated, or violates minimum health and safety standards, or any structure or improvement previously designated as blighted pursuant to § 36-49.1:1, under the process for determination of "spot blight."*

*"Bonds" means any bonds, notes, interim certificates, debentures, or other obligations issued by an authority pursuant to this chapter.*

(b) *"City" shall mean any city or town in the Commonwealth. "County" shall mean any county in the Commonwealth. "The city" shall mean the particular city or town for which a particular housing authority is created. "The county" shall mean the particular county for which a particular housing authority is created means the same as that term is defined in § 15.2-102.*

(c) *"Public body of the Commonwealth" shall mean any city, town, county, municipal corporation, commission, district, authority, other subdivision or public body of this Commonwealth.*

(d) *"Governing body" shall mean, in the case of a city, the council (including both branches where there are two), and in the case of a county, the board of supervisors or other governing body.*

(e) *"Clerk" shall mean means the clerk or secretary of the city or the clerk of the county, as the case may be, or the officer charged with the duties customarily imposed on such clerk.*

*"Conservation area" means an area, designated by an authority that is in a state of deterioration and in the early stages of becoming a blighted area, as defined in this section, or any area previously designated as a conservation area pursuant to this chapter.*

*"County" means the same as that term is defined in § 15.2-102.*

(f) *"Area of operation": (1) in the case of a housing authority of a city, shall be coextensive with the territorial boundaries of the city; (2) in the case of a housing authority of a county, shall include all of the county except that portion which lies within the territorial boundaries of any city, as herein defined.*

*"Farmers of low income" means persons of low income who derive their principal income from operating or working on a farm.*

*"Farm structure" means the same as that term is defined in § 36-97.*

(g) *"Federal government" shall include means the United States of America, the United States Department of Housing Authority and Urban Development, or any other agency or instrumentality, corporate or otherwise, of the United States of America.*

*"Governing body" means, in the case of a city or town, the council (including both branches where there are two), and in the case of a county, the board of supervisors or other governing body.*

(h) *"Slum" shall mean any area where dwellings predominate which, by reason of dilapidation, overcrowding, lack of ventilation, light or sanitary facilities, or any combination of these factors, are detrimental to safety, health or morals.*

(i) *"Housing project," shall mean means any work or undertaking: (1) (i) to demolish, clear or remove buildings from any slum area; such work or undertaking may embrace the adoption of such area to public purposes, including parks or other recreational or community purposes; or (2) (ii) to provide decent, safe and sanitary urban or rural dwellings, apartments or other living accommodations for persons of low and moderate income; such work or undertaking may include buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances, streets, sewers, water service, parks, site preparation, gardening, administrative, community, health, recreational, welfare or other purposes; or (3) (iii) to accomplish a combination of the foregoing. The term "housing project" also may be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures or improvements, the construction, reconstruction, alteration and repair of the improvements and all other work in connection therewith.*

*"Locality" means the same as that term is defined in § 15.2-102.*

*"Obligee of the authority" or "obligee" means any bondholder, trustee or trustees for any bondholders, or lessor demising to the authority property used in connection with a project, or any assignee or assignees of such lessor's interest or any part thereof, and the federal government when it is a party to any contract with the authority.*

(j) *"Persons of low income" shall mean means persons or families who determined by the authority to lack the amount of income which is necessary (as determined by the authority undertaking the housing project) to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.*

*"Persons of moderate income" means persons or families determined by the authority to lack the amount of income necessary to obtain affordable housing.*

(k) *"Bonds" shall mean any bonds, notes, interim certificates, debentures, or other obligations issued by an authority pursuant to this chapter.*

(l) *"Real property" shall include means all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens.*

*"Redevelopment area" means an area (including slum areas), designated by an authority, that is in a*

state of blight that meets the criteria of a blighted area as defined in this section; or any area previously designated as a redevelopment area pursuant to this chapter.

(m) "Obligee of the authority" or "obligee" shall include any bondholder, trustee or trustees for any bondholders, or lessor demising to the authority property used in connection with a housing project, or any assignee or assignees of such lessor's interest or any part thereof, and the federal government when it is a party to any contract with the authority.

"Slum" means any area where dwellings predominate that, by reason of dilapidation, overcrowding, lack of ventilation, light or sanitary facilities, or any combination of these factors, is detrimental to safety, health, or morals.

"Spot blight" means a structure or improvement that is a blighted property as defined in this section.

"Spot blight abatement plan" means the written plan prepared by the owner or owners of record of the real property to address spot blight. If the owner or owners of record of the real property fail to respond as provided in § 36-49.1:1, the locality or the authority can prepare a spot blight abatement plan to address the spot blight with respect to an individual commercial, industrial, or residential structure or improvement, but may only implement such plan in accordance with the provisions of § 36-49.1:1.

"Town" means the same as that term is defined in § 15.2-102.

§ 36-4. Creation of redevelopment and housing authorities.

In each city and in each county locality there is hereby created a political subdivision of the Commonwealth, with such public and corporate powers as are set forth in this chapter, to be known respectively as the ".....(insert name of city or county locality) Redevelopment and Housing Authority" (hereinafter referred to as "authority or "housing authority"); provided, however, that any authority not now activated shall not transact any business or exercise its any powers hereunder authorized under this chapter until or unless the qualified voters of such city or county as the case may be locality shall by a majority vote of such qualified voters voting in an election a referendum held as provided in § 36-4.1, have indicated a need for an authority to function in such city or county locality. The election referendum to determine whether or not there is such a need for an authority to function (a) (i) may be called by the governing body by resolution or (b) (ii) shall be called by the governing body upon the filing of a petition signed by 100 freeholders of the city or county, as the case may be at least 100 qualified voters registered in the jurisdiction, asserting that there is need for an authority to function in such city or county locality and requesting the governing body to call such election referendum.

The governing body may by resolution call for an election a referendum to determine whether there is need for an authority in the city or county, as the case may be, if it believes (a) that insanitary or unsafe inhabited dwelling accommodations exist in such city or county or (b) that there is a shortage of safe or sanitary dwelling accommodations in such city or county available to persons of low income at rentals they can afford or (c) that there is a blighted or deteriorated area which needs redeveloping. In determining whether dwelling accommodations are unsafe or insanitary or whether an area is blighted or deteriorated the governing body may take into consideration the degree of overcrowding, the percentage of land coverage, the light, air, space and access available to the inhabitants of such dwelling accommodations, the size and arrangement of the rooms, the sanitary facilities, and the extent to which conditions exist in such buildings which endanger life or property by fire or other causes. locality if the governing body believes it is appropriate for one of the reasons set out in § 36-2. In the case of a town located within the county, the town council shall first obtain the concurrence of the governing body of the county and the county redevelopment and housing authority prior to scheduling a referendum.

In any suit, action or proceeding involving the validity or enforcement of or relating to any contract of the authority, the authority shall be conclusively deemed to have become established and authorized to transact business and exercise its powers hereunder if the qualified voters of the county or city locality have so indicated in an election a referendum held pursuant to § 36-4.1, that there is need for the authority.

§ 36-4.1. Holding of referendum; effect.

(1) A. If an election a referendum is called for under § 36-4, either by resolution of the governing body or upon the petition of 100 freeholders qualified voters as therein provided, the election the referendum shall be held not less than 60 nor more than 90 days after it is called by the governing body of the county or city at the next regularly scheduled election in the locality. The question on the ballot in such election referendum shall be:

Is there a need for the redevelopment and housing authority to be activated in the county (or city or town) of ..... ?

The ballots shall be printed, the returns canvassed, and the results certified as provided in § 24.1-165 § 24.2-684.

(2) B. If a majority of the qualified voters in such election referendum shall indicate that there is a need for such authority, then the same shall be empowered to transact business and exercise the powers conferred by this chapter.

§ 36-9.1. Exemptions from applicability of this chapter; conflicts in provisions of law.

*This chapter shall not be applicable to farm structures as defined in § 36-3 unless they are within the purview of the Uniform Statewide Building Code, as provided in § 36-99. Further, the creation of a redevelopment or conservation area, or designation of an individual structure as blighted pursuant to § 36-49.1:1, under the process for determination of spot blight, shall not abrogate the right to farm as protected in § 3.1-22.28. If there is a conflict between the provisions of this chapter and § 3.1-22.29, the provisions of § 3.1-22.29 shall control. If there is a conflict between the provisions of this chapter and § 25.1-106, the provisions of § 25.1-106 shall control. However, nothing herein shall be construed to preclude enforcement of local, state or federal criminal laws with respect to criminal activities occurring on a property where one or more farm structures are located.*

§ 36-19. Enumeration of powers.

An authority shall constitute a political subdivision of the Commonwealth with public and corporate powers, and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter, including the following powers in addition to others herein granted:

1. To sue and to be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make, amend and repeal bylaws, rules and regulations, not inconsistent with law, to carry into effect the powers and purposes of the authority.

2. Within its area of operation, to prepare, carry out, acquire, lease and operate housing projects and residential buildings, and to provide for the construction, reconstruction, improvement, alteration or repair of any housing project, residential building, or any part thereof, and to construct, remodel or renovate any public building or other facility used for public purposes provided the authority is requested to do so by the governing body of the political subdivision wherein the public building or facility is located.

3. To arrange or contract for the furnishing by any person or agency, public or private, of services, privileges, works, or facilities for, or in connection with, a housing project or the occupants thereof; and (notwithstanding anything to the contrary contained in this chapter or in any other provision of law) to include in any contract let in connection with a project, any provisions required to comply with any conditions which the federal government may have attached to its financial aid of the project.

4. In connection with any housing project: to lease or rent any dwelling, houses, accommodations, lands, buildings, structures or facilities embraced in any housing project and (subject to the limitations contained in this chapter) to establish and revise the rents or charges therefor; to own, hold, and improve real or personal property; to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise any real or personal property or any interest therein; to acquire by the exercise of the power of eminent domain any real property; to sell, lease, exchange, transfer, assign, pledge or dispose of any real or personal property or any interest therein; to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards, to procure or agree to the procurement of insurance or guarantees from the federal government of the payment of any bonds or parts thereof issued by an authority, including the power to pay premiums on any such insurance.

5. To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or security in which savings banks may legally invest funds subject to their control; to purchase its bonds at a price not more than the principal amount thereof and accrued interest, all bonds so purchased to be cancelled.

6. Within its area of operation, to investigate into living, dwelling and housing conditions and into the means and methods of improving such conditions; to determine where *blighted or* slum areas exist or where there is a shortage of decent, safe and sanitary dwelling accommodations for persons of low income; to make studies and recommendations relating to the problem of clearing, replanning and reconstructing of *blighted or* slum areas, and the problem of providing dwelling accommodations for persons of low income, and to cooperate with the ~~city, the county~~ *locality*, the Commonwealth or any other political subdivision thereof in action taken in connection with such problems; and to engage in research, studies and experimentation on the subject of housing.

7. To make loans or grants for the prevention and elimination of ~~slum or~~ *blighted or slum* areas and for assistance in housing construction or rehabilitation by private sponsors of any and all funds received through federal programs and any and all funds received from other sources, public or private, including but not limited to, rehabilitation loans received pursuant to the provisions of § 312 of the Federal Housing Act of 1964, as amended and the Housing and Community Development Act of 1974.

8. Within its area of operation, to act as agent for a political subdivision or agency of the Commonwealth or for a federal agency in making *construction or* rehabilitation loans to persons of low or moderate income in accordance with the rules and regulations of the political subdivision or agency.

9. Within its area of operation to make *grants*, loans or refinance loans made by others for assistance in planning, development, acquisition, construction, repair, rehabilitation, equipping or maintenance of commercial, residential or other buildings; provided that prior approval of any such loan by the local governing body shall be required if the building is not located within a housing, redevelopment or conservation project, or a ~~rehabilitation district, area, or rehabilitation area~~ and provided further that any rehabilitation funded by any such *grant or* loan is in compliance with property maintenance

standards contained in duly adopted *redevelopment* or conservation plans in effect in such area of operation.

10. To borrow money and issue evidence of indebtedness in the name of and for the use of the ~~housing~~ authority, *to issue bonds and other obligations, and give security therefor*, subject to such limitations as may be imposed by law.

11. ~~Acting through one or more commissioners or other person or persons designated by the authority; to~~ To conduct examinations and investigations, and to make available to appropriate agencies (including those charged with the duty of abating or requiring the correction of nuisances or like conditions, or of demolishing unsafe or ~~insanitary~~ *unsanitary* structures within its area of operation) its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, morals, safety or welfare.

12. With the approval of the local governing body *or its designee*, to form corporations, partnerships, joint ventures, trusts, or any other legal entity or combination thereof, on its own behalf or with any person or public or private entity.

13. To exercise all or any part or combination of powers herein granted.

No provisions of law with respect to the acquisition, operation or disposition of property by other political subdivisions or public bodies shall be applicable to an authority unless the legislature shall specifically state.

§ 36-19.2. Powers limited by necessity for authority from or approval by governing body; public hearing on proposed budget.

A. Notwithstanding the provisions of § 36-19, no authority heretofore or hereafter permitted to transact business and exercise powers as provided in § 36-4 shall make any contract for the construction of any additional housing not authorized or approved by the governing body on April 1, 1952, or acquire land for, or purchase material for the construction or installation of any sewerage, streets, sidewalks, lights, power, water or any other facilities for any additional housing not authorized or approved on such date, unless and until such additional housing shall have been authorized or approved by the governing body of the county or city in which the authority is authorized to transact business and exercise powers; provided, that this section shall not affect or impair the provisions of § 36-19.1.

*B. Before any authority gives final approval to its budget for submission to the governing body, the authority shall hold at least one public hearing to receive the views of citizens within the area of operation of the authority. The authority shall cause public notice to be given at least 10 days prior to any hearing by publication in a newspaper having a general circulation within the area of operation of the authority.*

§ 36-27. Eminent domain.

A. An authority shall have the right to acquire by the exercise of the power of eminent domain any real property ~~which may be necessary for the purposes of such authority under this chapter pursuant to a duly adopted redevelopment or conservation plan, or otherwise only in accordance with this chapter~~, after the adoption by it of a resolution declaring that the acquisition of the real property described therein is necessary for such *public* purposes. An authority may exercise the power of eminent domain in the manner provided in Chapter 2 (§ 25.1-200 et seq.) of Title 25.1. ~~The commissioners before which condemnation proceedings are conducted may hear~~ *In condemnation proceedings evidence may be presented* as to the value of the property including but not limited to the owner's appraisal and the effect that any pending application for a zoning change, special use permit application or variance application may have on the value of the property. The court may also determine whether there has been unreasonable delay in the institution of the proceedings after public announcement by the condemnor of a project that necessitates acquisition by the condemnor of a designated land area consisting of or including the land sought to be condemned. If the court determines that such unreasonable delay has occurred, it shall instruct the commissioners *or jurors* in such proceedings to allow any damages proved to their satisfaction by the landowner or landowners to have been sustained to his or their land during and because of such delay, in addition to and separately from the fair market value thereof, but such damages shall not exceed the actual diminution if any in fair market value of the land in substantially the same physical condition over the period of the delay. ~~This provision shall not apply to any such public announcement made prior to July 1, 1960.~~

B. Prior to the adoption of any redevelopment plan *for a redevelopment area* pursuant to § 36-49 or any conservation plan *for a conservation area* pursuant to § 36-49.1, an authority shall send by certified mail, postage prepaid, to ~~at least one of the~~ *the* record owner or owners of every parcel of property to be acquired pursuant to such plan, *at their last known address as contained in the records of the treasurer, the current real estate tax assessment records, or the records of such other officer responsible for collecting taxes in that locality*, a notice advising such owner that (i) the property owned by such owner is proposed to be acquired, ~~and~~ (ii) *such owner will have the right to appear before the local governing body and present testimony with respect to the proposed redevelopment or conservation area, and (iii) such owner will have the right to appear in any condemnation proceeding instituted to acquire the property and present any defense which such owner may have to the taking. Such notice shall not be the basis for eligibility for relocation benefits. At the time it makes its price offer, the authority shall*

also provide to the property owner a copy of the appraisal of the fair market value of such property upon which the authority has based the amount offered for the property, which appraisal shall be prepared by a ~~certified general~~ real estate appraiser licensed in accordance with Chapter 20.1 (§ 54.1-2009 et seq.) of Title 54.1.

C. In all such cases the proceedings shall be according to the provisions of Chapter 2 (§ 25.1-200 et seq.) of Title 25.1, so far as they can be applied to the same. No real property belonging to the city, the county, the Commonwealth or any other political subdivision thereof may be acquired without its consent.

#### § 36-48. Creation of Redevelopment Areas.

It is hereby found and declared: that there exist in many communities within this Commonwealth blighted areas (as herein defined) which impair economic values and tax revenues, cause an increase in and spread of disease and crime, and constitute a menace to the health, safety, morals and welfare of the residents of the Commonwealth; that the clearance, replanning, rehabilitation and reconstruction of such blighted areas and the sale or lease of land and the acquisition and operation of residential housing units for low, moderate and middle income persons within such areas for redevelopment in accordance with locally approved redevelopment plans are necessary for the public welfare and are public uses and public purposes for which public money may be spent and private property acquired by purchase or the power of eminent domain, and are governmental functions of grave concern to the Commonwealth; that there are also certain areas where the condition of title, diverse ownership of the land to be assembled, the street or lot layouts, or other conditions prevent a proper development of the land and that it is in the public interest that areas described in this section, as well as blighted areas, be acquired by eminent domain and made available for sound and wholesome development in accordance with a redevelopment plan, and that the exercise of the power of eminent domain and the financing of acquisition and preparation of the land by a public agency for such redevelopment is likewise a public use and purpose. *A redevelopment area as defined in § 36-3 may be created by an authority as provided in this chapter and a redevelopment plan may be adopted to address conditions in such redevelopment area. The redevelopment plan shall (i) outline specific boundaries for the redevelopment area and designate for acquisition such properties as are necessary or appropriate for the clearance, replanning, rehabilitation, and reconstruction of the redevelopment area, (ii) be adopted in accordance with § 36-49, and (iii) satisfy the requirements as set forth in § 36-51.*

#### § 36-48.1. Creation of Conservation Areas.

A. ~~The findings and declarations made in § 36-48 are hereby reaffirmed and it is hereby further found and declared that: Certain blighted, deteriorated or deteriorating areas, or portions thereof, are, through the means hereinafter provided, susceptible of conservation through appropriate public action and the elimination or prevention of the spread or increase of blight or deterioration in such areas is necessary for the public welfare and is a public purpose for which public money may be spent and private property acquired by purchase or by the power of eminent domain, and is a governmental function of grave concern to the Commonwealth.~~

B. It is also found and declared that: Areas adjacent to blighted, deteriorated or deteriorating areas are susceptible to the spread of such conditions and although such areas have not reached such extreme proportions of blight or deterioration, certain indications of deterioration are evident and it is hereby determined to be within the best interest of the Commonwealth, that such areas be assisted through loan and grant programs to prevent further deterioration. *A conservation area as defined in § 36-3 may be created by an authority as provided in this chapter and a conservation plan may be adopted to provide for the conservation, rehabilitation, and revitalization of such conservation area. The conservation plan shall (i) outline specific boundaries for the conservation area, (ii) be adopted in accordance with § 36-49.1, and (iii) satisfy the requirements as set forth in § 36-51.1.*

#### § 36-49. Adoption of Redevelopment Plans.

Any A. An authority now or hereafter established, in addition to other powers granted by this or any law, is specifically empowered to carry out any work or undertaking (hereafter called a "redevelopment project") may adopt a redevelopment plan for a designated redevelopment area to address blighted areas and in particular is specifically empowered to carry out any work or undertaking in the redevelopment area, including any or all of the following:

1. To acquire ~~Acquire~~ blighted or deteriorated areas, which are hereby defined as areas (including slum areas) with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement of design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals or welfare of the community in § 36-3;

2. To acquire ~~Acquire~~ other real property for the purpose of removing, preventing, or reducing blight; blighting factors or the cause of blight;

3. To acquire ~~Acquire~~ real property where the condition of the title, the diverse ownership of the real property to be assembled, the street or lot layouts, or other conditions prevent a proper development of the property and where the acquisition of the area by the authority is necessary to carry out a redevelopment plan;

4. ~~To permit~~ *Permit* the preservation, repair, or restoration of buildings of historic interest; and to clear any areas acquired and install, construct, or reconstruct streets, utilities, and site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan;

5. ~~To provide~~ *Provide* for the conservation of portions of the project area and the rehabilitation to project standards as stated in the redevelopment plan of buildings within the project area, where such rehabilitation is deemed by the authority to be feasible and consistent with project objectives;

6. ~~To make~~ *Make* land so acquired available to ~~private enterprise~~ *nongovernmental persons or entities* or public agencies (including sale, leasing, or retention by the authority itself) in accordance with the redevelopment plan;

7. ~~To assist~~ *Assist* the reconstruction of project areas by making loans or grants of funds received from any public or private source, for the purpose of facilitating the construction, reconstruction, rehabilitation or sale of housing or other improvements constructed or to be constructed on land situated within the boundaries of a redevelopment project;

8. ~~To acquire~~ *Acquire*, construct or rehabilitate residential housing developments for occupancy by persons of low, moderate and middle income to be owned, operated, managed, leased, conveyed, mortgaged, encumbered or assigned by an authority. Income limits for such persons shall be determined for each redevelopment project by an authority by resolution adopted by a majority of its appointed commissioners, shall be adjusted for household size and may be revised as an authority deems appropriate. In connection with a residential housing development, an authority shall have all rights, powers and privileges granted by subdivision 4 of § 36-19; and shall establish rental rates in accordance with § 36-21. This subdivision shall apply only to (i) a redevelopment and housing authority created by joint resolution adopted by a city council of a city on September 27, 1940, and a board of aldermen of a city on October 1, 1940, and approved by the mayor of a city on October 3, 1940; and (ii) a redevelopment and housing authority created by a November 2, 1965, referendum, the initial commissioners of which were appointed by a February 23, 1966, board of supervisors resolution; and

9. ~~To accomplish~~ *Accomplish* any combination of the foregoing to carry out a redevelopment plan; and

10. *Exercise such other powers as are authorized by law.*

*B. No redevelopment plan shall be effective until notice has been sent to the property owner or owners of record in accordance with subsection B of § 36-27 and the redevelopment plan has been approved by the local governing body.*

#### *§ 36-49.1. Adoption of Conservation Plans.*

*Whenever it appears to the governing body of any county, city or town that a portion of such city, county or town is deteriorating and may be eligible for conservation as provided by this section, and such governing body adopts a resolution so declaring, an authority may, in addition to other powers granted by this or any other law, investigate such portion of the locality and select slum, blighted, deteriorated or deteriorating areas and prepare a plan for the conservation thereof to be known as a "conservation plan." Upon approval of such plan by the governing body of the city, county or town, the authority is specifically empowered to do the following in order to carry out the work or undertaking as called for in such plan (hereinafter called a "conservation project") A. An authority may adopt a conservation plan for a designated conservation area to address blight and blighting conditions, to conserve such area, prevent further deterioration and prevent such area from becoming blighted, and in particular is specifically empowered to carry out any work or undertaking in the conservation area, including any or all of the following:*

1. ~~To acquire~~ *Acquire* property within such areas which is blighted, designated for public use in the conservation plan, or the use or condition of which is inconsistent with the purposes of the conservation plan or the provisions of the zoning ordinance or code of the ~~city, county or town~~ *locality*;

2. ~~To rehabilitate~~ *Rehabilitate* or clear property so acquired;

3. ~~To provide~~ *Provide* for the installation, construction or reconstruction of streets, utilities, parks, parking facilities, playgrounds, public buildings and other site improvements essential to the conservation or rehabilitation planned;

4. ~~To make~~ *Make* land or improvements so acquired available to ~~private enterprise~~ *nongovernmental persons or entities* or public agencies (by sale, lease or retention of ownership by the authority itself);

5. ~~To assist~~ *Assist* the reconstruction of project areas by making loans or grants of funds received from any public or private source, for the purpose of facilitating the construction, reconstruction, rehabilitation or sale of housing or other improvements constructed or to be constructed on land situated within the boundaries of a conservation project;

6. ~~To encourage~~ *Encourage* and assist property owners or occupants within the conservation area to improve their respective holdings, by suggesting improved standards for design, construction, maintenance and use of such properties and offering encouragement or assistance in other ways including the power to lend money and make grants to owners or occupants, directed toward prevention and elimination of blight;

7. ~~To acquire~~ *Acquire*, construct or rehabilitate residential housing developments for occupancy by persons of low, moderate and middle income to be owned, operated, managed, leased, conveyed,

mortgaged, encumbered or assigned by an authority. Income limits for such persons shall be determined for each conservation project by an authority by resolution adopted by a majority of its appointed commissioners, shall be adjusted for household size and may be revised as an authority deems appropriate. In connection with a residential housing development, an authority shall have all rights, power and privileges granted by subdivision 4 of § 36-19; and shall establish rental rates in accordance with § 36-21. This subdivision shall apply only to (i) a redevelopment and housing authority created by joint resolution adopted by a city council of a city on September 27, 1940, and a board of aldermen of a city on October 1, 1940, and approved by the mayor of a city on October 3, 1940, and (ii) a redevelopment and housing authority created by a November 2, 1965, referendum, the initial commissioners of which were appointed by a February 23, 1966, board of supervisors resolution; and

8. The governing body shall conduct a public hearing prior to approval of a conservation plan. Exercise such other powers as are authorized by law.

*B. No conservation plan shall be effective until notice has been sent to the property owner or owners of record in accordance with subsection B of § 36-27 and the conservation plan has been approved by the local governing body.*

§ 36-49.1:1. Spot blight abatement authorized; procedure.

A. Notwithstanding any other provision of this ~~article~~ chapter, an authority, or any locality, shall have the power to acquire or repair any blighted property, as defined in § ~~36-49~~ 36-3, whether inside or outside of a conservation or redevelopment area, by *purchase or through the exercise of the powers* power of eminent domain provided in Chapter 2 (§ 25.1-200 et seq.) of Title 25.1, and, further, shall have the power to hold, clear, repair, manage or dispose of such property for purposes consistent with this ~~title~~ chapter. In addition, the *authority and* locality shall have the power to recover the costs of any repair or disposal of such property from the owner or owners of record, *determined in accordance with subsection B of § 36-27.* This power shall be exercised only in accordance with the procedures set forth in this section.

B. The chief executive or ~~designated agency~~ *designee of the locality* or authority of the locality shall make a preliminary determination that a property is blighted in accordance with this ~~article~~ chapter. It shall ~~notify~~ *send notice to the owner or owners of record determined in accordance with subsection B of § 36-27,* specifying the reasons why the property is ~~considered~~ blighted. The owner or owners of record shall have 30 days *from the date the notice is sent in* ~~within~~ which to respond in writing with a *spot blight abatement plan to cure* address the blight within a reasonable time.

C. If the owner or owners of record ~~fails~~ fail to respond within the 30-day period with a *written spot blight abatement plan* that is acceptable to the chief executive of the agency, authority or locality, the agency, authority or locality (i) may request the local planning commission to conduct a public hearing and make findings and recommendations that shall be reported to the governing body of the locality concerning the repair or other disposition of the property in question and (ii) in the event a public hearing is scheduled, shall prepare a *written spot blight abatement plan* for the repair or other disposition of the property.

D. *No spot blight abatement plan shall be effective until notice has been sent to the property owner or owners of record in accordance with subsection B of § 36-27 and an ordinance has been adopted by the local governing body.* Not less than three weeks prior to the date of the public hearing before the planning commission, the commission shall provide by regular and certified mail, notice of such hearing to (i) the owner of the blighted property or the agent designated by him for receipt of service of notices concerning the payment of real estate taxes within the locality; (ii) the abutting property owners in each direction, including those property owners immediately across the street or road from the property; and (iii) the representative neighborhood association, if any, for the immediate area. The notice shall include the plan for the intended repair or other disposition of the property. The notice of the public hearing shall be published at least twice, with not less than six days elapsing between the first and second publication in a newspaper published or having general circulation in the locality in which the property is located. The notice also shall be posted on the property. The notice shall specify the time and place of the hearing at which persons affected may appear and present their views, not less than six days nor more than 21 days after the second publication.

E. The planning commission shall determine whether:

1. *The property is blighted;*
2. The owner has failed to cure the blight or present a reasonable plan to do so;
- ~~2. The property is blighted;~~
3. The plan for the repair or other disposition of the property is in accordance with the locally adopted comprehensive plan, zoning ordinances, and other applicable land use regulations; and
4. The property is located within an area listed on the National Register of Historic Places. In such instances, the planning commission shall consult with the locally established architectural review board, if any, regarding the proposed repair or other disposition of the property by the authority or governing body.

F. The planning commission shall report its findings and recommendations concerning the property to the governing body. The governing body, upon receipt of such findings and recommendations, may,



after an advertised public hearing, affirm, modify, or reject the planning commission's findings and recommendations. If the repair or other disposition of the property is approved, the authority, agency or locality may carry out the approved plan to repair or acquire and dispose of the property in accordance with the approved plan, the provisions of this section, and applicable law. ~~The~~

*G. If the ordinance is adopted by the governing body of the locality, the locality shall have a lien on all property so repaired or acquired under an approved spot blight abatement plan to recover the cost of (i) improvements made by such locality to bring the blighted property into compliance with applicable building codes and (ii) disposal, if any. The lien authorized by this subsection shall be filed in the circuit court where the property is located and shall be subordinate to any prior liens of record. The governing body may recover its costs of repair from the owner or owners of record of the property when the repairs were made at such time as the property is sold or disposed of by such owner or owners. If the property is acquired by the governing body through eminent domain, the cost of repair may be recovered when the governing body sells or disposes of the property. In either case, the costs of repair shall be recovered from the proceeds of any such sale.*

~~G. H.~~ Notwithstanding the *other* provisions of this section, unless otherwise provided for in Title 36, if the blighted property is occupied for personal residential purposes, the governing body, in approving the *spot blight abatement* plan, shall not ~~allow for an acquisition of~~ *acquire by eminent domain* such property if it would result in a displacement of the person or persons living in the premises. The provisions of this subsection shall not apply to acquisitions, under an approved *spot blight abatement* plan, by any locality of property which has been condemned for human habitation for more than one year. In addition, such locality exercising the powers of eminent domain in accordance with Title 25.1, may provide for temporary relocation of any person living in the blighted property provided the relocation is within the financial means of such person.

~~H. I.~~ In lieu of the acquisition of blighted property by the exercise of ~~the powers of~~ eminent domain as ~~herein provided~~, and in lieu of the exercise of other powers granted in subsections A through ~~F~~ H, a locality may, by ordinance, declare any blighted property as defined in § ~~36-49~~ 36-3 to constitute a nuisance, and thereupon abate the nuisance pursuant to § 15.2-900 or § 15.2-1115. Such ordinance shall be adopted only after written notice by certified mail to the owner or owners at the last known address of such owner as shown on the current real estate tax assessment books or current real estate tax assessment records.

~~I. J.~~ The provisions of this section shall be cumulative and shall be in addition to any remedies for spot blight abatement that may be authorized by law.

§ 36-50. Extension of general powers for actions taken pursuant to a redevelopment plan.

In undertaking *actions pursuant to a redevelopment projects plan*, an authority shall have all the rights, powers, privileges, and immunities ~~that such authority has in connection with undertaking slum clearance and housing projects (including, without limiting the generality of the foregoing, the power to make and execute contracts, to issue bonds and other obligations, and give security therefor, to acquire real property by eminent domain or purchase, and to do any and all things necessary to carry out redevelopment projects); provided, that provided in this chapter.~~ However, nothing contained in §§ 36-21 and 36-22 shall be construed as limiting the power of an authority, in the event of a default (including failure of compliance with a redevelopment plan) by a purchaser or lessee of land in a redevelopment plan, to acquire property and operate it free from the restrictions contained in §§ 36-21 and 36-22; and provided further, that any property which an authority leases to ~~private corporations, individuals, or partnerships~~ *nongovernmental persons or entities* for redevelopment under a redevelopment plan shall have the same tax status as if such leased property were owned by such ~~private corporations, individuals, or partnerships~~ *nongovernmental persons or entities*.

§ 36-50.1. Extension of general powers for actions taken pursuant to a conservation plan.

In connection with the execution of a conservation plan, an authority shall have all of the powers and responsibilities vested in or imposed upon it in connection with redevelopment projects under this chapter, ~~with the exception that implementing a conservation plan, an authority shall have all the rights, powers, privileges, and immunities provided in this chapter.~~ However, the power of eminent domain shall not be exercised in connection with a conservation project except to acquire ~~(1) (i) properties designated for public use by the public or a public agency in the conservation plan, or (2) (ii) properties which are determined by the authority to be in violation of the standards for design, construction, maintenance and use of property set out in the conservation plan for the project in which such property is situate, and which have not been made to comply with such standards within one year after a written request to rehabilitate to project standards is given to the owner by the authority, or (3) (iii) properties as to which voluntary conveyance cannot be effected in the course of the execution of the conservation plan because of the inability of the owners to convey marketable title, or (4) (iv) properties which are infeasible of rehabilitation or because of dilapidation, obsolescence, faulty arrangement or design, street or lot layout, deleterious land use or a combination thereof exert a blighting influence on adjacent properties or prevent proper development of land so as to inhibit or, blighted properties or properties which inhibit or prevent accomplishment of the purposes of the conservation plan.~~

§ 36-51. Redevelopment plans.

A. An authority shall not ~~initiate~~ *implement* any redevelopment ~~project plan~~ under this law until the governing body (~~or planning agency or other public agency designated by it or empowered by law so to act~~) of each city or town or county (hereinafter called a "municipality") in which any of the area to be covered by such project (hereinafter called the "redevelopment area") is situated, has approved a plan (hereinafter called the "redevelopment plan") *of the locality has approved the redevelopment plan*, which provides an outline for the development or redevelopment of the redevelopment area and is sufficiently complete to indicate (i) its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements; (ii) proposed land uses and building requirements in the redevelopment area; (iii) the land in the redevelopment area that the authority does not intend to acquire; (iv) the land in the redevelopment area that will be made available after acquisition to ~~private enterprise~~ *nongovernmental persons or entities* for redevelopment and that land which will be made available after acquisition to public enterprise for redevelopment; (v) anticipated funding sources that may be sufficient to acquire all property designated for acquisition within five years of the ~~municipality's~~ *locality's* approval; and (vi) the method for the temporary relocation of persons living in the redevelopment areas; and also the method for providing (unless already available) decent, safe and sanitary dwellings in the locality substantially equal in number to the number of substandard dwellings to be cleared from the redevelopment area, at rents within the financial reach of the income groups displaced from such substandard dwellings. Any ~~municipality~~ *locality* is hereby authorized to approve redevelopment plans through their governing body or agency designated for that purpose.

B. No sooner than thirty months or later than thirty-six months following the date of the ~~municipality's~~ *locality's* approval of the redevelopment plan (hereinafter called the "approval date"), the ~~municipality~~ *locality* shall review and determine by resolution whether to reaffirm the redevelopment plan. Where the ~~municipality~~ *locality* fails to reaffirm the redevelopment plan, any real property within the redevelopment area that has not been acquired by the authority, or for which a petition in condemnation has not been filed by the authority, prior to the date of adoption of such resolution by the ~~municipality~~ *locality* (hereinafter called the "termination date") shall no longer be eligible for acquisition by the authority unless the authority and the property owner mutually agree to the acquisition, in which case the authority shall be specifically empowered to acquire the property. For purposes of this section, a mediation request submitted by either the authority or the property owner, in accordance with § 36-27, prior to the termination date shall preserve the authority's right to file a petition in condemnation relating to such real property for a period of six months after the termination date.

C. Where the ~~municipality~~ *locality* reaffirms the redevelopment plan, the authority shall continue to be authorized to acquire real property within the redevelopment area by purchase, or through the institution of eminent domain proceedings in accordance with § 36-27, until the fifth anniversary of the approval date. Any real property within the redevelopment area that has not been acquired by the authority, or for which a petition in condemnation has not been filed by the authority, prior to the fifth anniversary of the approval date, shall no longer be eligible for acquisition by the authority unless the authority and the property owner mutually agree to the acquisition, in which case the authority shall be specifically empowered to acquire the property. For purposes of this section, a mediation request submitted by either the authority or the property owner, in accordance with § 36-27, prior to the fifth anniversary of the approval date, shall preserve the authority's right to file a petition in condemnation relating to the real property for a period of six months after the fifth anniversary of the approval date.

D. Notwithstanding the provisions of this section, a ~~municipality~~ *locality* shall not be precluded from adopting a new redevelopment plan, in accordance with this section, which designates a redevelopment area that includes real property that was previously included within a redevelopment area under a previously adopted redevelopment plan.

E. If the authority decides against acquiring real property designated for acquisition under an approved redevelopment plan after having made a written purchase offer to the owner of the property, it shall, upon the written request of the property owner given no later than one year after the date of written notice from the authority to the property owner of its decision not to acquire his property, reimburse the owner of the property his reasonable expenses incurred in connection with the proposed acquisition of his property. Reasonable expenses shall include, but are not limited to, reasonable fees of attorneys and appraisers or other experts necessary to establish the value of the property to be appraised.

#### § 36-51.1. Requirements for "conservation plan" generally.

An authority shall not ~~initiate~~ *implement* any conservation ~~project plan~~ under this law until the governing body (~~or planning agency or other public agency designated by it or empowered by law so to act~~) of each city or county having the power granted by ~~§ 36-49.1~~ in which any of the area to be covered by such project is situated, has approved a "conservation plan" *of the locality has approved a conservation plan*, which provides an outline for the conservation, development or redevelopment of the *conservation area*, affording maximum opportunity for conservation, rehabilitation or redevelopment by ~~private enterprise~~ *nongovernmental persons or entities* consistent with the ends to be achieved, and is sufficiently complete to indicate ~~(i)~~ *(i)* its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities

and other public improvements; (2) (ii) any conditions and limitations on acquisition of property; (3) (iii) proposed land uses for the properties to be acquired; (4) (iv) any conditions and limitations, including time limitation, under which property shall be made available for rehabilitation or redevelopment by public *enterprise* or ~~private enterprise~~ *nongovernmental persons or entities* (by sale, lease or retention by the authority itself); (5) (v) standards of design, construction, maintenance, and use of property and other measures to be taken or recommended toward elimination and prevention of blight *and deterioration*; (6) (vi) the method for the temporary relocation of any persons living in ~~such the~~ *conservation area* who will be displaced in accordance with the plan, as well as the method of providing (unless already available) decent, safe and sanitary dwellings in such city or county substantially equal in number to the number of substandard dwellings to be cleared from the *conservation area*, at rents within the financial reach of the income groups displaced from such substandard dwellings; (7) (vii) any limitation on the length of time within which project activities can be undertaken; (8) (viii) a procedure for administrative review of the determination at staff level and prior to a final determination by the authority under § 36-50.1 (2) that an individual property is in violation of project standards and, therefore, subject to condemnation; and (9) (ix) the procedure by which such conservation plan may be amended.

#### § 36-52. Cooperation by localities.

Any ~~county, city or town~~ *local government* shall have the same rights and powers to cooperate with and assist authorities with respect to *implementation of conservation or redevelopment projects plans* that such ~~county, city or town~~ *locality* has pursuant to §§ 36-6 and 36-7 and any other provision of the Housing Authorities Law for the purpose of assisting the development or administration of slum clearance and housing projects.

##### § 36-52.1. Authority for localities to create conservation or redevelopment areas.

Any ~~city or county~~ having the power granted by ~~§ 36-49.1~~ is hereby authorized to approve conservation plans through its governing body, or agency designated for that purpose, and cooperate with or assist such authority in the same manner as authorized for redevelopment plans. A locality has no authority to create conservation or redevelopment areas, except through a redevelopment and housing authority and only in accordance with this chapter.

##### § 36-52.3. Adoption and designation of "rehabilitation area."

A. Whenever it appears to the governing body of any ~~county, city or town~~ *locality* that a portion of such ~~city, county or town~~ *locality* adjacent to an area embraced in a "conservation plan," approved by such body pursuant to § 36-49.1, is ~~deteriorating in the early stages of deterioration~~ and determines that if not rehabilitated such area is likely to *continue to deteriorate to a condition similar to that which existed in the area embraced in the "conservation plan," and become eligible for designation as a conservation area*, such governing body may adopt a resolution declaring and designating such an area as a "rehabilitation district." *create a rehabilitation area.*

B. *No rehabilitation area shall be effective until notice has been sent to the property owner or owners of record in such area in accordance with subsection B of § 36-27 and an ordinance approving such rehabilitation area has been adopted by the local governing body. The ordinance shall outline specific boundaries for the rehabilitation area, establish that the rehabilitation area is adjacent to a conservation area and include such properties as are in need of rehabilitation in such area.*

C. An authority is specifically empowered to encourage and assist property owners or occupants within the rehabilitation ~~district~~ *area* so designated to improve their respective holdings, by suggesting improved standards for design, construction, maintenance, renovation and use of such properties and offering encouragement or assistance in other ways including the power to lend money and make grants to said owners or occupants, directed toward prevention and elimination of deteriorating conditions within such ~~district~~ *area*.

~~C. D.~~ In executing the powers provided in subsection ~~B~~ C, an authority shall have all of the rights, powers and immunities granted in connection with *conservation or redevelopment projects plans* pursuant to this chapter except the power to acquire property through the exercise of the power of eminent domain.

#### § 36-53. Making property available for conservation or redevelopment.

An authority may make land in a conservation or redevelopment ~~project area~~ available for *purchase or use by private enterprise nongovernmental persons or entities* or public agencies in accordance with the conservation or redevelopment plan. Such land may be made available at its fair value, which represents the value (~~whether expressed in terms of rental or capital price~~) at which the authority determines such land should be made available in order that it may be developed, conserved or redeveloped for the purposes specified in such plan.

To assure that land acquired in a conservation or redevelopment ~~project area~~ is used in accordance with the conservation or redevelopment plan, an authority, upon the sale or lease of such land, shall obligate purchasers or lessees: (1) to use the land for the purpose designated in the conservation or redevelopment plan; (2) to begin the building of their improvements within a period of time which the authority fixes as reasonable; and (3) to comply with such other conditions as are necessary to carry out the purposes of this chapter. Any such obligations by the purchaser shall be covenants and conditions

running with the land where the authority so stipulates.

§ 36-55.30:2. Housing revitalization areas; economically mixed projects.

A. For the sole purpose of empowering the HDA to provide financing in accordance with this chapter, the governing body of any city or county may by resolution designate an area within such city or county as a revitalization area if such governing body shall in such resolution make the following determinations with respect to such area: (i) either (a) the area is blighted, deteriorated, deteriorating or, if not rehabilitated, likely to deteriorate by reason that the buildings, improvements or other facilities in such area are subject to one or more of the following conditions: dilapidation; obsolescence; overcrowding; inadequate ventilation, light or sanitation; excessive land coverage; deleterious land use; or faulty or inadequate design, quality or condition; or (b) the industrial, commercial or other economic development of such area will benefit the city or county but such area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; and (ii) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area. ~~The area within a~~ Any redevelopment project area, conservation project area, or rehabilitation district established ~~area created or designated~~ by the city or county pursuant to Chapter 1 (§ 36-1 et seq.) of this title, any census tract in which 70 percent or more of the families have incomes which are 80 percent or less of the statewide median income as determined by the federal government pursuant to Section 143 of the United States Internal Revenue Code or any successor code provision on the basis of the most recent decennial census for which data are available, and any census tract which is designated by the United States Department of Housing and Urban Development and, for the most recent year for which census data are available on household income in such tract, either in which 50 percent or more of the households have an income which is less than 60 percent of the area median gross income for such year or which has a poverty rate of at least 25 percent shall be deemed to be designated as a revitalization area without adoption of the above described resolution of the city or county. In any revitalization area, the HDA may provide financing for one or more economically mixed projects and, in conjunction therewith, any nonhousing buildings that are incidental to such project or projects or are determined by the governing body of the city or county to be necessary or appropriate for the revitalization of such area or for the industrial, commercial or other economic development thereof.

B. The HDA may finance an economically mixed project that is not within a revitalization area if the governing body of the city or county in which such project is or will be located shall by resolution determine (i) either (a) that the ability to provide residential housing and supporting facilities that serve persons or families of lower or moderate income will be enhanced if a portion of the units therein are occupied or held available for occupancy by persons and families who are not of low and moderate income or (b) that the surrounding area of such project is, or is expected in the future to be, inhabited predominantly by lower income persons and families and will benefit from an economic mix of residents in such project and (ii) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

C. In any economically mixed project financed under this section, the percentage of units occupied or held available for occupancy by persons and families who are not of low and moderate income, as determined as of the date of their initial occupancy of such units, shall not exceed 80 percent.

§ 36-60. Cooperation by public bodies on defense housing.

Any public body of the Commonwealth, as defined in the ~~Housing Authorities Law herein as any city, town, county, municipal corporation, commission, district, authority, other subdivision or public body of the Commonwealth,~~ shall have the same rights and powers to cooperate with housing authorities, or with the federal government, with respect to the development or administration of projects to assure the availability of safe and sanitary dwellings for persons engaged in national-defense activities that such public body has pursuant to such law for the purpose of assisting the development or administration of slum clearance or housing projects for persons of low income; provided that any such public body may furnish the aforesaid cooperation to such projects located within the territorial boundaries of such public body.

§ 58.1-3245.1. Blighted areas constitute public danger.

It is hereby found and declared that blighted areas exist in the Commonwealth, and these areas impair ~~economic values and tax revenues,~~ and endanger the health, safety, morals and welfare of the citizens because commercial, residential and industrial structures ~~or improvements~~ are subject to dilapidation, deterioration, inadequate ventilation, and inadequate public utilities. ~~It is also found to be in the public interest to promote the commerce and prosperity of the citizens of the Commonwealth by providing public facilities, including but not limited to, roads, water, sewers, parks, and real estate~~

devoted to open-space use as that term is defined in § 58.1-3230 in development project areas to encourage the development of such areas. Local governments should encourage private investment in development project areas in order to enhance the real estate tax base of such areas and, where appropriate, *It is a public purpose to provide public facilities including, but not limited to, roads, water, sewers, parks, and real estate devoted to open-space use as that term is defined in § 58.1-3230 within redevelopment and conservation areas to encourage the private development in such areas in order to eliminate blighted conditions.* It is essential to the public interest that governing bodies have authority to finance development project costs by using real estate tax increments to encourage private investment in development project areas.

**2. That § 36-39 of the Code of Virginia is repealed.**