

VIRGINIA ACTS OF ASSEMBLY -- 2008 SESSION

CHAPTER 580

An Act to amend and reenact § 15.2-958 of the Code of Virginia, relating to certain housing loans and grants.

[H 262]

Approved March 12, 2008

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-958 of the Code of Virginia is amended and reenacted as follows:

§ 15.2-958. Local funding for repair or production of low and moderate income rental property or repair of residential property; other housing experiments.

It is hereby declared that the preservation of existing housing in safe and sanitary condition and the production of new housing for persons of low and moderate income are public purposes and uses for which public money may be spent, and that such preservation and production are governmental functions of concern to the Commonwealth. Therefore, the governing body of any locality may provide by ordinance that such locality may make grants or loans to owners of residential rental property occupied, or to be occupied, following rehabilitation or after construction if new, by persons of low and moderate income, for the purpose of rehabilitating or producing such property. Owners assisted in this manner must provide a minimum of ~~twenty~~ 20 percent of the units for low and moderate income persons as defined by the locality for a minimum of ~~ten~~ 10 years. Participation by an owner under this section is voluntary.

Any locality in the ordinance herein authorized may:

1. Provide for the installation, construction, or reconstruction of streets, utilities, parks, parking facilities, playgrounds, and other site improvements essential to the development, preservation or rehabilitation planned;

2. Provide encouragement or financial assistance to the owners or occupants for developing or preserving and upgrading apartment buildings and for improving health and safety, conserving energy, preventing erosion, enhancing the neighborhood, and reducing the displacement of low and moderate income residents of the property;

3. Require that the owner agree to maintain a portion of the property in residential rental use for a period longer than ten years and that a portion of the dwelling units in the property be offered at rents affordable to persons or families of low and moderate income; ~~and~~

4. Provide that the value of assistance given by the locality under subdivisions 1 and 2 above be proportionate to the value of considerations rendered by the owner in maintaining a portion of the dwelling units at reduced rents for persons or families of low and moderate income; *and*

5. *Make loans or grants of local funds to individuals for the purpose of rehabilitating owner-occupied residences or assisting in the purchase of an owner-occupied residence in designated conservation or rehabilitation districts. The locality shall publish annually a report listing the property purchased or rehabilitated pursuant to this provision and the amounts of any grants or loans made for such purpose. Such ordinance shall require that any such loans or grants be applied using the income guidelines issued by the Virginia Housing Development Authority for use in its single family mortgage loan program financed with bonds on which the interest is exempt from federal income taxation. The locality shall offer financial institutions as defined in § 6.1-125.1 the opportunity to participate in local loan programs established pursuant to this subsection.*