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HOUSE BILL NO. 960

Offered January 13, 2010

Prefiled January 13, 2010

A *BILL to amend the Code of Virginia by adding a section numbered 15.2-958.5, relating to local housing fund.*

Patrons—Ingram, Dance, Herring, Surovell, Toscano and Ware, O.

Referred to Committee on Counties, Cities and Towns

Be it enacted by the General Assembly of Virginia:**1. That the Code of Virginia is amended by adding a section numbered 15.2-958.5 as follows:**

§ 15.2-958.5. Local housing fund and voluntary coordinated housing preservation and development districts.

Any locality may establish by resolution a housing fund, the purpose of which will be to assist for-profit or nonprofit housing developers or organizations to develop or preserve affordable housing for low and moderate income persons. The fund may be used to assist the developer or organization with such items as acquisition of land and buildings, lighting, sanitary and storm sewers, landscaping, walkways, construction of parking facilities, water-sewer hookup fees, and site improvements, including sidewalks, curbs, and gutters but not street improvements. Developers assisted in this manner shall provide a minimum of 20 percent of the units for low and moderate income persons, as defined by the county, for a minimum of 10 years.

The locality may declare by resolution that a portion of the locality is eligible for use of the housing fund by designation of a voluntary coordinated housing preservation and development district. Such resolution shall contain a statement that (i) there exists within the locality a serious shortage of sanitary and safe residential housing at rentals and prices that persons and families of low and moderate income can afford, and that this shortage has contributed and will contribute to the creation of substandard living conditions and is inimical to the health, welfare, and prosperity of the residents of the locality; (ii) it is imperative that the supply of rental and other housing for such persons and families be preserved or developed; and (iii) private enterprise is unable, without assistance, to produce the needed development or rehabilitation of sanitary and safe housing that persons or families of low and moderate income can afford.

The resolution shall include a statement that the owner of such rental property or persons showing evidence of site control by a legally binding agreement have requested the county to designate the site a voluntary coordinated housing preservation and development district.

The resolution shall also provide a plan for the district that outlines actions to be taken by the owner and by the locality to assure that physical improvements to the structures, site, and infrastructure are designed to improve the neighborhood, enhance the useful life of the buildings, and promote energy conservation. Such plan shall further specify the actions to be taken by the owner and by the locality to (i) minimize the displacement of persons or families of low and moderate income residing in the property; (ii) reserve some units at rents and prices affordable to persons or families of low and moderate income; and (iii) otherwise serve public purposes.

Upon declaration of an approved district, the locality 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 acquisition of land and buildings, for developing or preserving and upgrading residential 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 or other residential use for a period of not less than 10 years and that a portion of the dwelling units in the property be offered at rents and prices affordable to persons or families of low and moderate income;

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

5. Approve the use of money in the fund to make grants or appropriations to (i) housing sponsors, developers, and persons and families of low and moderate income to provide assistance for the acquisition, construction, improvement, ownership or occupancy of housing developments and residential

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59 *housing for persons and families of low and moderate income; (ii) support innovative and mixed-income*
60 *housing projects and low and moderate income housing projects that are located in areas experiencing*
61 *extreme shortages of such housing; and (iii) support rural affordable housing initiatives.*