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HOUSE BILL NO. 960**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the House Committee on Counties, Cities and Towns
on February 12, 2010)

(Patron Prior to Substitute—Delegate Ingram)

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

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 or regional housing fund.

A. Any locality may establish by ordinance a housing fund, the purpose of which is to make grants or loans (i) to housing sponsors, developers, and persons or families of low and moderate income to provide assistance for the acquisition, construction, improvement, ownership or occupancy of housing developments and residential housing for persons and families of low and moderate income, (ii) to support innovative and mixed-income housing projects, using the criteria for "economically mixed" described in subsection C of § 36-55.30:2, and low and moderate income housing projects that are located in areas experiencing extreme shortages of such housing, (iii) to support rural affordable housing initiatives, and (iv) for any other lawful purpose that furthers the goal of production, preservation or access to affordable housing for low and moderate income persons and families.

B. A locality may appropriate funds to the housing fund in its discretion. A locality may also designate existing sources of revenue to the fund. A locality may accept moneys for the purposes of the fund from any private or public source.

C. Any two or more localities may enter into an agreement to create a regional housing fund pursuant to this section. Such agreement shall be approved by ordinance by each participating locality. The ordinance shall specify how the regional fund shall be administered and the procedure by which the fund may be dissolved.

D. Any local ordinance establishing a locally administered housing fund adopted prior to July 1, 2010, shall continue in full force and effect.