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## HOUSE BILL NO. 1104

Offered January 8, 2020

Prefiled January 7, 2020

A *BILL to amend the Code of Virginia by adding a section numbered 15.2-959.1, relating to inclusionary housing.*

\_\_\_\_\_  
Patron—Hudson

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Referred to Committee on Privileges and Elections

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

**1. That the Code of Virginia is amended by adding a section numbered 15.2-959.1 as follows:**

**§ 15.2-959.1. Inclusionary housing.**

A. A locality establishing an inclusionary housing ordinance shall define the term "affordable" according to the needs of the residents of that locality.

B. A locality that creates an inclusionary housing program in accordance with this section shall ensure that the program is consistent with the locality's comprehensive plan and any other local or regional housing plans applicable to the locality.

C. Localities may create, implement, and enforce inclusionary housing programs applicable to new housing development and to conversions of previously non-residential uses into residential uses. The housing programs shall further one or more of the following goals:

1. Create mixed-income neighborhoods;
2. Produce affordable housing for a diverse labor force;
3. Focus on extremely low-income housing needs;
4. Ensure that the housing needs for older residents living independently are accommodated;
5. Deconcentrate poverty;
6. Provide affordable, good quality housing for people with incomes below 50 percent of area median income;
7. Improve the quality of housing in areas where the majority of residents earn less than 50 percent of area median income;
8. Reduce the burden of housing costs on low-income and moderate-income households by keeping housing units affordable over the long term; and
9. Increase homeownership opportunities for households with incomes between 50 percent and 80 percent of area median income.

D. Such programs shall be adopted by ordinance and may include any combination of land use strategies, including:

1. Density bonuses or lot size reductions or dimensional and form modifications or floor area ratio increases for the production of inclusionary housing units on-site. An applicant for a density bonus pursuant to this section:

a. May request a waiver or reduction of local development standards that (i) physically preclude the construction of a project at the density permitted by this section or (ii) impact the financial feasibility of a project submitted pursuant to this section. The locality shall grant the waiver or reduction of local development standards requested by the applicant unless the locality is able to make a written determination that such waiver or reduction would have a specific, adverse impact upon health, safety, or the physical environment. The locality may also recommend to the applicant modifications of the initial request for waiver or reduction of local development standards that would satisfy the locality's concerns; and

b. May request a waiver or reduction in any parking ratios or requirements, which the locality shall grant if the applicant meets the requirements for such waiver established by the locality;

2. Accessory dwelling unit allowances;

3. Required set-asides for inclusionary units in market-rate developments, which shall be paired with a density bonus in accordance with a ratio set forth in the ordinance establishing the program; and

4. Permitting conversion of office, light industrial, and commercial space to affordable, multi-family housing.

E. Such programs may also provide financial incentives or remove financial disincentives in order to promote development of new affordable housing where such developments would not otherwise occur, including:

1. The waiver of any fees associated with the construction, renovation, or rehabilitation of a structure, including building permit fees, application review fees, and water and sewer connection fees;

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HB1104

59 and

60 2. A process for expediting permits for any development including a set-aside for affordable units  
61 pursuant to this section.

62 F. In developing and adopting such housing programs, the locality shall create an advisory  
63 committee and actively seek input from citizens, developers of residential and mixed-use property, real  
64 estate professionals, historic preservation professionals, redevelopment and housing professionals,  
65 anti-poverty advocates, planners, urban design professionals, and finance professionals.

66 G. To the greatest extent possible, adopted programs should rely on market-based approaches to  
67 providing and maintaining inclusionary dwelling units.