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HOUSE BILL NO. 2342

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Counties, Cities and Towns
on January 18, 2019)

(Patron Prior to Substitute—Delegate Thomas)

A BILL to amend and reenact § 15.2-2303.4 of the Code of Virginia and to repeal the third enactment of Chapter 322 of the Acts of Assembly of 2016, relating to conditional rezoning proffers.

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-2303.4 of the Code of Virginia is amended and reenacted as follows:

§ 15.2-2303.4. Provisions applicable to certain conditional rezoning proffers.

A. For purposes of this section, unless the context requires a different meaning:

"New residential development" means any construction or building expansion on residentially zoned property, including a residential component of a mixed-use development, that results in either one or more additional residential dwelling units or, otherwise, fewer residential dwelling units, beyond what may be permitted by right under the then-existing zoning of the property, when such new residential development requires a rezoning or proffer condition amendment.

"New residential use" means any use of residentially zoned property that requires a rezoning or that requires a proffer condition amendment to allow for new residential development.

"Offsite proffer" means a proffer addressing an impact outside the boundaries of the property to be developed and shall include all cash proffers.

"Onsite proffer" means a proffer addressing an impact within the boundaries of the property to be developed and shall not include any cash proffers.

"Proffer condition amendment" means an amendment to an existing proffer statement applicable to a property or properties.

"Public facilities" means public transportation facilities, public safety facilities, public school facilities, or public parks.

"Public facility improvement" means an offsite public transportation facility improvement, a public safety facility improvement, a public school facility improvement, or an improvement to or construction of a public park. No public facility improvement shall include any operating expense of an existing public facility, such as ordinary maintenance or repair, or any capital improvement to an existing public facility, such as a renovation or technology upgrade, that does not expand the capacity of such facility. For purposes of this section, the term "public park" shall include playgrounds and other recreational facilities.

"Public safety facility improvement" means construction of new law-enforcement, fire, emergency medical, and rescue facilities or expansion of existing public safety facilities, to include all buildings, structures, parking, and other costs directly related thereto.

"Public school facility improvement" means construction of new primary and secondary public schools or expansion of existing primary and secondary public schools, to include all buildings, structures, parking, and other costs directly related thereto.

"Public transportation facility improvement" means (i) construction of new roads; (ii) improvement or expansion of existing roads and related appurtenances as required by applicable standards of the Virginia Department of Transportation, or the applicable standards of a locality; and (iii) construction, improvement, or expansion of buildings, structures, parking, and other facilities directly related to transit.

"Residentially zoned property" means property zoned or proposed to be zoned for either single-family or multifamily housing.

"Small area comprehensive plan" means that portion of a comprehensive plan adopted pursuant to § 15.2-2223 that is specifically applicable to a delineated area within a locality rather than the locality as a whole.

B. Notwithstanding any other provision of law, general or special, no ~~locality~~ local governing body shall (i) ~~request or accept~~ require any unreasonable proffer, as described in subsection C, in connection with a rezoning or a proffer condition amendment as a condition of approval of a new residential development or new residential use or (ii) deny any rezoning application or proffer condition amendment for a new residential development or new residential use where such denial is based in whole or in part on an applicant's failure or refusal to submit an unreasonable proffer or proffer condition amendment.

C. Notwithstanding any other provision of law, general or special, ~~(i)~~ as used in this chapter, a proffer, or proffer condition amendment, whether onsite or offsite, offered voluntarily pursuant to § 15.2-2297, 15.2-2298, 15.2-2303, or 15.2-2303.1, shall be deemed unreasonable unless it:

1. It addresses an impact that is specifically attributable to a proposed new residential development or other new residential use applied for; and (ii) ~~an offsite proffer shall be deemed unreasonable pursuant~~

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60 to subdivision (i) unless

61 2. *If an offsite proffer*, it addresses an impact to an offsite public facility, such that ~~(a)~~ (i) the new
62 residential development or new residential use creates a need, or an identifiable portion of a need, for
63 one or more public facility improvements in excess of existing public facility capacity at the time of the
64 rezoning or proffer condition amendment and ~~(b)~~ (ii) each such new residential development or new
65 residential use applied for receives a direct and material benefit from a proffer made with respect to any
66 such public facility improvements. ~~For the purposes of this section, a~~ A locality may base its assessment
67 of public facility capacity on the projected impacts specifically attributable to the new residential
68 development or new residential use.

69 D. Notwithstanding the provisions of subsection C:

70 1. *An applicant or owner may, at the time of filing an application pursuant to this section or during*
71 *the development review process, submit any onsite or offsite proffer that the owner and applicant deem*
72 *reasonable and appropriate, as conclusively evidenced by the signed proffers.*

73 2. *Failure to submit proffers as set forth in subdivision 1 shall not be a basis for the denial of any*
74 *rezoning or proffer condition amendment application.*

75 E. Notwithstanding any other provision of law, general or special:

76 1. Actions brought to contest the action of a ~~locality~~ *local governing body* in violation of this section
77 shall be brought only by the aggrieved applicant or the owner of the property subject to a rezoning or
78 proffer condition amendment pursuant to subsection F of § 15.2-2285, *provided that the applicant*
79 *objected in writing to the governing body regarding a proposed condition prior to the governing body's*
80 *grant or denial of the rezoning application.*

81 2. In any action in which a ~~locality~~ *local governing body* has denied a rezoning or an amendment to
82 an existing proffer and the aggrieved applicant proves by a preponderance of the evidence that it refused
83 or failed to submit an unreasonable proffer or proffer condition amendment that ~~it has proven~~ was
84 ~~suggested, requested, or required~~ *in writing by the locality local governing body in violation of this*
85 *section*, the court shall presume, absent clear and convincing evidence to the contrary, that such refusal
86 or failure was the controlling basis for the denial.

87 3. In any successful action brought pursuant to this section contesting an action of a ~~locality~~ *local*
88 *governing body* in violation of this section, the applicant may be entitled to an award of reasonable
89 attorney fees and costs and to an order remanding the matter to the governing body with a direction to
90 approve the rezoning or proffer condition amendment without the inclusion of any unreasonable proffer
91 *or to amend the proffer to bring it into compliance with this section.* If the ~~locality~~ *local governing body*
92 fails or refuses to approve the rezoning or proffer condition amendment, *or fails or refuses to amend the*
93 *proffer to bring it into compliance with this section*, within a reasonable time not to exceed 90 days
94 from the date of the court's order to do so, the court shall enjoin the ~~locality~~ *local governing body* from
95 interfering with the use of the property as applied for without the unreasonable proffer. Upon remand to
96 the local governing body pursuant to this subsection, the requirements of § 15.2-2204 shall not apply.

97 ~~E.~~ F. The provisions of this section shall not apply to any new residential development or new
98 residential use occurring within any of the following areas: (i) an approved small area comprehensive
99 plan in which the delineated area is designated as a revitalization area, encompasses mass transit as
100 defined in § 33.2-100, includes mixed use development, and allows a density of at least 3.0 floor area
101 ratio in a portion thereof; (ii) an approved small area comprehensive plan that encompasses an existing
102 or planned Metrorail station, or is adjacent to a Metrorail station located in a neighboring locality, and
103 allows additional density within the vicinity of such existing or planned station; or (iii) an approved
104 service district created pursuant to § 15.2-2400 that encompasses an existing or planned Metrorail
105 station.

106 ~~F.~~ G. This section shall be construed as supplementary to any existing provisions limiting or
107 curtailing proffers or proffer condition amendments for new residential development or new residential
108 use that are consistent with its terms and shall be construed to supersede any existing statutory provision
109 with respect to proffers or proffer condition amendments for new residential development or new
110 residential use that are inconsistent with its terms.

111 H. *Notwithstanding any provision in this section to the contrary, nothing contained herein shall be*
112 *deemed or interpreted to prohibit or to require communications between an applicant or owner and the*
113 *locality. The applicant, owner, and locality may engage in pre-filing and post-filing discussions*
114 *regarding the potential impacts of a proposed new residential development or new residential use on*
115 *public facilities as defined in subsection A and on other public facilities of the locality, and potential*
116 *voluntary onsite or offsite proffers, permitted under subsections C and D, that might address those*
117 *impacts. Such verbal discussions shall not be used as the basis that an unreasonable proffer or proffer*
118 *condition amendment was required by the locality. Furthermore, notwithstanding any provision in this*
119 *section to the contrary, nothing contained herein shall be deemed or interpreted to prohibit or to*
120 *require presentation, analysis, or discussion of the potential impacts of new residential development or*
121 *new residential use on the locality's public facilities.*

- 122 2. That the third enactment of Chapter 322 of the Acts of Assembly of 2016 is repealed.
123 3. That this act shall be effective as to any application for a rezoning filed on or after July 1,
124 2019, or for a proffer condition amendment amending a rezoning that was filed on or after July 1,
125 2019, or to any then-pending rezoning application in which the applicant elects to proceed
126 hereunder, by amendment of that pending application.
127 4. That an applicant with a pending application for a rezoning or proffer condition amendment
128 that was filed prior to July 1, 2016, may continue to proceed under the law as it existed prior to
129 that date, and an applicant with a pending rezoning application filed on or after July 1, 2016, but
130 before July 1, 2019, or proffer condition amendment application amending a rezoning for which
131 the application was filed on or after July 1, 2016, but before July 1, 2019, may continue to
132 proceed under the law as it existed during that period.