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## HOUSE BILL NO. 2048

Offered January 11, 2023

Prefiled January 10, 2023

A *BILL to amend and reenact § 36-55.30:2 of the Code of Virginia, relating to Virginia Housing Development Authority; economically mixed projects; affordable rent for persons or families of low or moderate income.*

Patrons—Carr, Adams, D.M. and Maldonado

Referred to Committee on General Laws

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

**1. That § 36-55.30:2 of the Code of Virginia is amended and reenacted as follows:**

**§ 36-55.30:2. Housing revitalization areas; economically mixed projects.**

A. For the sole purpose of empowering the HDA to provide financing in accordance with this chapter, the governing body of any city or county may by resolution designate an area within such city or county as a revitalization area if such governing body shall in such resolution make the following determinations with respect to such area: (i) either (a) the area is blighted, deteriorated, deteriorating or, if not rehabilitated, likely to deteriorate by reason that the buildings, improvements, or other facilities in such area are subject to one or more of the following conditions: dilapidation; obsolescence; overcrowding; inadequate ventilation, light, or sanitation; excessive land coverage; deleterious land use; or faulty or inadequate design, quality, or condition; or (b) the industrial, commercial, or other economic development of such area will benefit the city or county but such area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; and (ii) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe, and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area. Any redevelopment area, conservation area, or rehabilitation area created or designated by the city or county pursuant to Chapter 1 (§ 36-1 et seq.) of this title, any census tract in which 70 percent or more of the families have incomes which are 80 percent or less of the statewide median income as determined by the federal government pursuant to Section 143 of the United States Internal Revenue Code or any successor code provision on the basis of the most recent decennial census for which data are available, and any census tract which is designated by the United States Department of Housing and Urban Development and, for the most recent year for which census data are available on household income in such tract, either in which 50 percent or more of the households have an income which is less than 60 percent of the area median gross income for such year or which has a poverty rate of at least 25 percent shall be deemed to be designated as a revitalization area without adoption of the above described resolution of the city or county. In any revitalization area, the HDA may provide financing for one or more economically mixed projects and, in conjunction therewith, any nonhousing buildings that are incidental to such project or projects or are determined by the governing body of the city or county to be necessary or appropriate for the revitalization of such area or for the industrial, commercial, or other economic development thereof.

B. The HDA may finance an economically mixed project that is not within a revitalization area if the governing body of the city or county in which such project is or will be located shall by resolution determine (i) either (a) that the ability to provide residential housing and supporting facilities that serve persons or families of lower or moderate income will be enhanced if a portion of the units therein are occupied or held available for occupancy by persons and families who are not of low and moderate income or (b) that the surrounding area of such project is, or is expected in the future to be, inhabited predominantly by lower income persons and families and will benefit from an economic mix of residents in such project and (ii) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe, and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

C. In any economically mixed project financed under this section, the percentage of units occupied or held available for occupancy by persons and families who are not of low ~~and~~ or moderate income, as determined as of the date of their initial occupancy of such units, shall not exceed 80 percent.

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59       *D. In any economically mixed project financed under this section, (a) at least 20 percent of the units*  
60 *must be held available for occupancy by persons and families earning 80 percent or less of the area*  
61 *median income, and (b) the rent charged for such units shall be at least 10 percent below the rents of*  
62 *unrestricted units in the project. Economically mixed projects located in a locality with a population no*  
63 *greater than 35,000 as determined by the most recent U.S. census shall not be required to comply with*  
64 *subdivision b.*