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**HOUSE BILL NO. 635** 

Offered January 12, 2022 Prefiled January 11, 2022

A BILL to amend the Code of Virginia by adding in Article 2 of Chapter 11 of Title 15.2 a section numbered 15.2-1134, relating to inclusionary housing; zoning.

Patron—Carr

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 in Article 2 of Chapter 11 of Title 15.2 a section numbered 15.2-1134 as follows:

§ 15.2-1134. Inclusionary housing; zoning.

- A. Cities and towns in the Commonwealth shall develop and promulgate housing plans that address the supply of safe, sanitary, and affordable shelter for all current and anticipated residents of their communities. Such plans shall require:
- 1. Linkage between economic development efforts that bring new jobs to a community and the supply of safe, sanitary, and affordable shelter for all who will fill those jobs;
- 2. Linkage between the location of housing and the location of mobility resources that are appropriate for and affordable to the residents of areas occupied by, designated for, or zoned for residential uses and that provide access to multiple job, shopping, service, and educational opportunities:
- 3. Linkage between the location of safe, sanitary, and affordable housing and the availability of accredited, high-quality, affordable education resources and facilities to serve the needs of the residents of the housing in that location;
- 4. Linkage between the location of safe, sanitary, and affordable housing and parks, indoor and outdoor recreation, and libraries within walking distance;
- 5. Linkage between the location of safe, sanitary, and affordable housing and health care and healthy living resources, including the availability of fresh food;
- 6. Demonstration that the safe, sanitary, and affordable housing options do not, intentionally or unintentionally, limit choices and opportunities geographically based on income; and
- 7. Methods to address the continued existence of moderately priced housing, including property maintenance requirements and avoiding demolition by neglect.
- B. Such housing plans shall be reviewed and revised no less frequently than every five years; copies of the adopted housing plans shall be submitted within 60 days of adoption to the Department of Housing and Community Development, which shall keep the copies on file and make them available for public inspection.
- C. After promulgating a housing plan, cities and towns may create, implement, and enforce inclusionary housing programs applicable to new housing development and conversions of previously nonresidential uses into residential uses. The housing programs shall further the following goals:
  - 1. Create mixed-income neighborhoods;
  - 2. Produce affordable housing for a diverse labor force;
  - 3. Ensure that the housing needs for older residents to live independently are accommodated;
  - 4. Deconcentrate poverty;
- 5. Reduce the burden of housing costs on low-income and moderate-income households by keeping housing units affordable over the long term; and
- 6. Increase homeownership opportunities for households in the 50 percent and 80 percent median family income ranges.
- D. Such programs shall be adopted by ordinance and may include any combination of the following implementation measures and tools:
- 1. Density bonuses or lot size reductions or dimensional and form modifications or floor area ratio increases for the production of inclusionary housing units;
  - 2. Contributions to a local housing trust fund in lieu of construction of inclusionary units;
  - 3. Accessory dwelling unit allowances;
- 4. Required set-asides for inclusionary units in market-rate development, provided that required set-asides for market units in affordable tax-credit development are also provided, up to a maximum ratio, so as to prevent concentrations of areas with affordable housing or areas with no affordable housing;

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5. Housing inspection programs designed to ensure the quality and safety of affordable housing constructed in accordance with the plan;

6. Design control, including prohibiting the use of specific building materials, even if such materials are permitted under the Uniform Statewide Building Code, on affordable housing constructed in accordance with the plan;

- 7. Allowing duplexes, triplexes, and quadruplexes in areas with primarily single-family detached homes for the purpose of providing inclusionary dwellings and creating mixed-income homeownership options;
  - 8. Permitting multifamily conversion of office, light industrial, and commercial space;

9. Encouraging transit-oriented development;

- 10. Providing financial incentives or removing financial disincentives in order to promote development of new affordable housing where such development would not otherwise occur under existing conditions; and
- 11. Other policies, measures, or tools that are materially similar to those listed above and that have a positive impact on the production and maintenance of inclusionary dwelling units.
- E. In developing and adopting such housing programs, the locality shall create an advisory committee and actively seek input from citizens, developers of residential and mixed-use property, real estate professionals, historic preservation professionals, redevelopment and housing professionals and advocates, planners, urban design professionals, and finance professionals.
- F. To the greatest extent possible, adopted programs shall rely on market-based approaches to providing and maintaining inclusionary dwelling units.
- G. Counties utilizing the urban county executive form of government or the county manager plan of government may follow and use this section to provide inclusionary housing.