COMMONWEALTH OF VIRGINIA

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VIRGINIA HOUSING COMMISSION

Summary

Neighborhood Transitions, Local Land Use and Community Living Workgroup Meeting
Thursday, October 23, 2025; 10:00 a.m.
Senate Room C, the General Assembly Building

Welcome and Call to Order

Delegate David Bulova, chair, called the meeting to order at 10:04 a.m.

Members present: Delegate David Bulova, Delegate Carrie E. Coyner, Delegate Daniel W. Marshall (virtual), Ashley Welburn (virtual), Bismah Ahmed, *Apartment and Office Building Association of Metropolitan Washington*; Laura Bateman, *Virginia First Cities;* Fabrizio Fasulo, *Virginia Housing; Randy Grumbine, Virginia Manufactured and Modular Housing Association; Joe Lerch, Virginia Association of Counties; Jerry Wright, Community Associations Institute;* Mary Lawson, *Virginia Association of Realtors.*

Staff present: Molly Bowers, Jesseca Hoff.

Speakers: Delegate Elizabeth Bennet-Parker (virtual), Isabel McLain, Bill West

Members absent: Senator Ghazala F. Hashmi, Senator William M. Stanley, Joshua Goldschmidt

The meeting was called to order by Delegate David Bulova, Chair, at 10:04 a.m. The Chair noted this was the final workgroup meeting of the year. The workgroup's recommendations will be presented at the full Virginia Housing Commission meeting on December 4, 2025. The Chair thanked the members and small groups for their hard work behind the scenes. Workgroup members introduced themselves and the organizations they represent.

Materials presented at the meeting are accessible through the Commission's website.

Update on Declarant Control

Jesseca Hoff, *Virginia Housing Commission*, provided an update on the small group's efforts regarding declarant control.

Findings: The small group reached a consensus. Staff determined that attempting to legislatively modify existing declaration provisions would likely conflict with the Virginia Constitution's contracts clause. The specific issue that prompted the study (Captain's Cove) was enabled, in part, by an outdated subdivision ordinance, and staff research confirmed that other localities have since updated their ordinances.

Recommendation: The group recommended focusing on disclosure. The draft legislation would require a declarant who has reserved the right to control the association (including appointing board members) to disclose those rights in any contract for the sale of a lot to a residential purchaser. It also adds the status of declarant control to the required contents of a resale certificate.

Discussion:

- **Jerry Wright** (Community Associations Institute) noted that late tweaks clarified the disclosure is specific to *declarant control* (e.g., appointing the board) rather than *all* declarant rights.
- **Delegate Bulova** noted that the separate, larger issue of placing time limits on developer control would remain on the workgroup's radar for future study.

Outcome: The workgroup reached a consensus to **forward an affirmative recommendation** for the draft bill to the full Commission.

SB 1452 (2025): Conveyance or Assumption

Bill West (Virginia Mortgage Bankers Association) presented on SB 1452, regarding mortgage assumptions, and the associated draft bill.

Mr. West expressed concern that the draft language, which required an annual notice that a mortgage "may be assumable", was potentially misleading. He noted that while FHA and VA loans are assumable, the majority of conventional (Fannie/Freddie) loans are not, except in specific cases like death, divorce, or trust transference. He also worried that consumers rarely read escrow disclosures and that the new mandate could inadvertently raise borrowing costs in Virginia by diminishing servicing values.

Revised Language: After a brief recess, the workgroup proposed amending the draft bill to provide more specific context. The revised language for the notice would state the mortgage may be assumable "under certain conditions such as FHA, VA or conventional loans in the event of divorce, inheritance or death".

Discussion:

- **Delegate Coyner** questioned whether a notice was the right approach, stating she thought the goal was to legislatively *protect* a homeowner's right to assumption during death or divorce, which she believed was a carve-out permitted under federal law.
- **Mr. West** clarified that those rights *already exist* at the federal level for conventional loans; the issue is that awareness is low, and assumptions are rare. VHC staff confirmed the small group's consensus was focused on the *education component*.
- **Mr. West** also suggested the notice should be tied to an "annual servicing disclosure" rather than an "annual escrow account statement," as not all mortgages have escrow accounts.
- **Outcome:** The workgroup agreed to **forward an affirmative recommendation** for the bill *with the revised language* specifying the conditions. The Chair requested staff follow up on **Delegate Coyner's** points to determine if additional state-level protections are needed.

SB 1139 (2025): Virginia Workforce Housing Program

Randy Grumbine (Virginia Manufactured and Modular Housing Association) reported on the small group’s review of SB 1139, which would establish a grant program for employers providing housing down payment assistance.

Workgroup Edits: The group developed several suggestions to strengthen the bill, including:

1. Focusing AMI targets on the 80-120% range.
2. Limiting program eligibility to small businesses.
3. Ensuring the grant is not considered taxable income for the employee.

Discussion: The Chair noted that while the idea was laudable, the Commission was not in a position to prioritize this new spending item over other housing needs without more data. He also suggested the concept might be better suited for a one-time budget amendment.

Outcome: The workgroup will **not forward a recommendation** to the full Commission. Detailed feedback will be provided to the patron.

HB 1973 (2025): Right of First Refusal (ROFR)

Delegate Elizabeth Bennett-Parker and Isabel McLain (Virginia Housing Alliance) presented on a Right of First Refusal (ROFR) proposal, based on HB 1973 from 2025 and supported by presentation slides. The Chair clarified this item was for educational purposes and feedback for the 2026 session, not for a recommendation.

- The proposal aims to preserve publicly supported affordable housing. Virginia is at risk of losing 7,126 affordable units by 2028 and nearly 30,000 by 2033 as affordability restrictions expire. Preservation is 25-40% cheaper than new construction.
- **The Proposal:** The bill would be *permissive*, allowing localities to adopt an ordinance to create a ROFR.
  - It applies to publicly supported multifamily properties (e.g., LIHTC).
  - When an owner accepts a third-party offer *that does not maintain affordability*, the locality (or a qualified designee) would have **30 days** to match the offer.
  - The owner receives the same purchase price.
  - The 30-day window is intentionally short (compared to 60-120 days in other states) to minimize market disruption.

  Stakeholder Feedback:
  - **Delegate Coyner** raised several concerns: (1) The burden of tracking expiration dates should be on the locality, not the owner; (2) Tenant notices should *only* go to impacted affordable units, not market-rate tenants; and (3) A locality could potentially use the ROFR to acquire a mixed-income property and re-concentrate poverty by converting it to 100% low-income.
  - **Bismah Ahmed** (AOBA/VAMA) stated that ROFR policies discourage investment and create market uncertainty, adding bureaucracy to transactions.
  - **Delegate Bulova** questioned the definition of a "matching offer," suggesting it should be "same terms and conditions" to be fair and effective. He also highlighted the importance of preservation, citing data that new affordable units cost approximately $500,000 each to create.
- **Outcome:** This was an **informational item only**. The feedback was provided to the presenters.

Manufactured Home Subdivisions/Zoning Ordinances

Jesseca Hoff provided an introductory presentation on policies related to manufactured housing, an issue requested by Delegate Maldonado.

National Models: Staff outlined several policy models used by other states:

- **Zoning:** Some states *mandate inclusion* (allowing manufactured homes wherever single-family homes are allowed) , while others simply *ban total exclusion* (requiring localities to allow them somewhere).

- **Program Inclusion:** States like California require state-funded housing programs (e.g., down payment assistance) to include manufactured housing.
- **Resident Ownership:** Providing financial incentives (e.g., capital gains tax breaks) to owners who sell manufactured home communities to residents or non-profits that preserve affordability.

Virginia Context: Virginia is ahead of the curve in some areas. Virginia Housing already includes qualified manufactured homes in its loan and down payment assistance programs. The state also has a notice provision for park sales and a pilot program for manufactured home park acquisitions.

Discussion:

- **Delegate Coyner** stressed the need for a bifurcated approach: (1) policies for *existing* stock, which is often treated as personal property, denying owners the ability to build equity, and (2) policies to incentivize *new* manufactured housing as real estate.
- **Randy Grumbine** and **Joe Lerch** noted that Virginia law only guarantees "by right" placement in agricultural zones. While some rural counties are progressive, most suburban and urban areas effectively exclude them due to stigma and NIMBYism.
- **Mr. Grumbine**, in response to the Chair, confirmed there is no bona fide health, safety, or welfare reason to treat modern manufactured homes differently from stick-built homes. He stated the industry "earned the stigma" from low-durability products in the 1970s and 80s, but today's HUD code product is high-quality, energy-efficient, and innovative.

Outcome: This was an **informational presentation**. The full research paper will be available on the VHC website.

Public Comment

There was no public comment.

Conclusion

The meeting was adjourned at 11:42 a.m.

The Full Virginia Housing Commission will meet on December 4, 2025, at 10:00 a.m. in Senate Room C.