COMMONWEALTH OF VIRGINIA

SENATOR MAMIE E. LOCKE, Chair DELEGATE CARRIE E. COYNER, Vice-Chair ELIZABETH A. PALEN, Executive Director



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VIRGINIA HOUSING COMMISSION

Summary

Full Virginia Housing Commission Meeting Tuesday, December 17, 2024; 1:00 p.m. Senate Room C, the General Assembly Building

Introduction:

Senator Mamie Locke, Chair, called the meeting to order at 1:00 p.m.

Members present: Senator Mamie Locke, Chair, Delegate Carrie Coyner, Vice Chair, Senator Ghazala Hashmi, Delegate David Bulova, Delegate Briana Sewell, Delegate Adele McClure (virtual), Director Elizabeth Palen, Joshua Goldschmidt (gubernatorial appointee), Martin Johnson (gubernatorial appointee), Ashley Welburn (gubernatorial appointee).

Staff and speakers present: Molly Bowers, Dave Albo, Pamela Kestner (Chief of Staff, Global Policy Leadership Academy), Edward Pinto (Co-Director, AEI Housing Center).

Members absent: Senator Bill Stanley, Delegate Daniel Marshall.

Senator Locke opened the meeting with a welcome. She introduced Director Elizabeth Palen, who provided an overview of housing-related statistics and trends, including declining mortgage rates, increasing housing prices, and demographic preferences for larger homes. Palen noted the Commission's focus on innovative housing solutions and legislative priorities for the 2025 session.

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

Presentations

How Light-Touch Density and Livable Urban Villages Can Initiate the Housing Abundance Sequence in Virginia

Edward Pinto, Co-director, AEI Housing Center

Edward Pinto stated that Virginia faces significant housing challenges, emphasizing the decline in affordability and limited availability of entry-level housing for middle- and lower-income households. He argued for the need to move beyond subsidized housing models and focus on creating naturally affordable housing by increasing supply through zoning reform. Edward proposed "Light-Touch Density" (LTD) and "Livable Urban Villages" (LUV) as key strategies to initiate a "Housing Abundance Sequence" in Virginia.

He explained that LTD involves moderate increases in housing density, such as allowing duplexes, triplexes, or townhomes in areas zoned for single-family homes, which he said would reduce costs and increase affordability without subsidies. Similarly, he said that LUV promotes higher-density development in underutilized commercial and industrial areas, creating walkable, mixed-use communities that reduce infrastructure costs and sprawl.

Pinto highlighted examples where increased housing density improved affordability and argued that Virginia's legislative and local policies should prioritize by-right zoning, simplified land-use rules, and streamlined permitting. He pointed to successful reforms in Montana as a model Virginia could emulate and emphasized that policies like smaller lot sizes, infill development, and more flexible zoning could significantly expand the state's housing stock and address affordability issues.

Innovating Mixed-Income Housing Concepts in the United States: Vienna, Austria's Approach Pamela Kestner, Chief of Staff at Global Policy Leadership Academy, Former Deputy Director at DHCD

Pamela Kestner presented on Vienna, Austria's housing model and how it offers an innovative framework for tackling mixed-income housing challenges in the United States, emphasizing sustainability, inclusivity, and the principle of housing as a human right. She explained that Vienna intentionally develops mixed-income communities, with the city government actively acquiring, funding, and managing housing to meet demand, producing 5,000–10,000 homes annually. She said that Vienna ensures affordability through rent restrictions, social housing zoning requirements, and tenant protection policies like rent control and eviction prevention.

She highlighted that 60% of Vienna's residents live in social housing, spending only 27% of their income on housing, with effectively no homelessness or housing insecurity. Kester said that policies prevent displacement, foster social integration, and include pathways to homeownership. Kestner emphasized the lessons Vienna offers for U.S. cities, such as building at scale on public lands, restoring the government's role in infrastructure development, and securing permanent funding.

Kestner highlighted Vienna's five-pillar framework: production, preservation, equity promotion, tenant protection, and displacement prevention. She also described U.S. communities, including Montgomery County, Atlanta, and California, that have begun adopting Vienna's principles. Kestner invited the Commission to participate in a Vienna field study, emphasizing its potential for addressing Virginia's housing challenges.

Voting on Potential Legislation

The Virginia Housing Commission voted on the following legislative proposals for endorsement in the 2025 General Assembly Session:

1. Virginia Residential Landlord Tenant Act; Early Termination of Rental Agreement

The Commission endorsed a bill that expands the conditions under which tenants can terminate their leases before the end of the lease date. The proposed legislation adds stalking and human trafficking offenses to the list of qualifying conditions for ending the lease. The legislation allows termination based on emergency or preliminary protective orders or issued warrants.

The bill was endorsed unanimously

2. Flood Related Disclosures

A proposed bill requiring property owners to disclose flood risks was not recommended by the workgroup and, therefore, was not taken up for a vote by the Commission.

3. Disclosures Related to Fly-Over Zones

The Commission endorsed a bill adding disclosures about proximity to public-use airports and aircraft noise to the "Buyer Beware" residential property disclosure statement. The disclosure advises purchasers to

exercise due diligence by reviewing available maps depicting public-use airport aircraft noise zones and provides guidance for accessing this information. Specifically:

Line 18: Adds language advising that "the owner makes no representations or warranties with respect to the property's proximity to a public-use airport or aircraft noise zones."

The legislation was endorsed unanimously.

4. Urban Public Private Partnership Redevelopment Fund (UPPPRF)

The Commission endorsed updates to the Urban Public-Private Partnership Redevelopment Fund. Originally enacted in 2000 but never capitalized, the updated bill broadens the fund's scope to include grants, revolving loans, and other financial tools to assist localities in assembling, clearing, and remediating underutilized land. It also expands eligible partners to include nonprofits, local governments, regional authorities, and property owners' associations.

The bill was endorsed unanimously.

5. Virginia Housing Opportunity Tax Credit

The Commission endorsed a bill extending the sunset for the Virginia Housing Opportunity Tax Credit to 2031. Key changes include the addition of the "Balance of State Pool," as defined in §42 of the Internal Revenue Code, for allocating tax credits and amending specific language for flexibility. Key changes include:

Line 9: Introduces the "Balance of State Pool," aligning tax credit allocations with federally defined criteria under §42 of the Internal Revenue Code.

Line 47: Specifies an extended credit period for projects awarded tax credits prior to 2031, ensuring long-term funding continuity.

Line 158: Amends the language from "shall" to "may" to provide flexibility in prioritizing projects for federal low-income housing tax credits on a per-project basis.

The bill was endorsed unanimously.

6. Accessory Dwelling Unit Legislation

The Commission endorsed legislation requiring localities to consider accessory dwelling units (ADUs) in their comprehensive plans. This approach acknowledges the diversity of Virginia's localities and facilitates the inclusion of ADUs without requiring ordinances.

The bill was endorsed unanimously.

7. Eviction Diversion Program Renewal

The Commission endorsed a bill expanding the eviction diversion program, which allows courts to help tenants facing temporary financial challenges that have caused rent arrears. The bill provides an option for courts to implement the program at their discretion while maintaining clear parameters for its operation. The bill was endorsed unanimously.

Public Comment:

Panavogis Giannakouros, Statistician

Giannakouros advocated for a modular approach to incorporating environmental considerations into every planning process, ensuring that green infrastructure and sustainability are prioritized. He mentioned legislation from former Delegate Emmet Hanger.

Conclusion:

The meeting was adjourned at 2:14 p.m.