

COMMONWEALTH OF VIRGINIA

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VIRGINIA HOUSING COMMISSION

Summary

Full Virginia Housing Commission Meeting
Tuesday April 1, 2025; 1:00 p.m.
Senate Room A, the General Assembly Building

Introduction:

Senator Mamie Locke, *Chair*, called the meeting to order at 1:02 p.m.

Members present: Senator Mamie Locke (Chair), Senator Ghazala Hashmi, Senator William Stanley, Delegate David Bulova, Delegate Adele McClure, Delegate Briana Sewell, Martin Johnson (Gubernatorial Appointee), Ashley Welburn (Gubernatorial Appointee), Delegate Carrie Coyner (Vice-Chair, attended virtually).

Staff and speakers present: Molly Bowers, Jesseca Hoff, Elizabeth Palen, John Vithoulkas (Henrico County Manager), Jean Moore (Henrico County Assistant Director of Planning), Sonya Ravindranath Waddell (Vice President and Economist, Federal Reserve Bank of Richmond).

Members absent: Delegate Daniel Marshall, Joshua Goldschmidt (Gubernatorial Appointee)

The meeting began with introductions and opening remarks followed by presentations and discussion.

Materials presented at the meeting are accessible through the [Commission's website](#).

Overview of the Agenda

Elizabeth A. Palen, Executive Director, Virginia Housing Commission

Director Elizabeth Palen outlined the meeting agenda, which included presentations, a work plan discussion, and public comment. She provided a legislative update, reviewing the outcome of approximately 150 housing-related bills from the 2025 General Assembly session, noting 56 were signed into law, 21 vetoed, eight amended, and 70 failed. Director Palen highlighted enacted Virginia Housing Commission endorsed bills, such as permanent eviction diversion courts (Va. Code § 55.1-1260), updates to the Property Disclosure Act regarding aircraft noise and buyer due diligence (§ 55.1-703), early lease termination for abuse victims (§ 55.1-1236), and the allowance for localities to consider ADUs/tiny homes in comprehensive plans. Funding for the Urban Public Private Redevelopment Fund and Housing Opportunity Tax Credit remained dependent on final budget votes. Additionally, Director Palen presented key housing statistics, including historically low national existing home sales (4.06M in 2024), rising median home prices (US: \$407,500; VA: \$403,500, +4.9% year over year), significant renter cost burdens (half paying more than 30% of income for rent), and the high income (\$100k+) needed for median-priced homes in many metro areas.

Small Lot Development Projects in Henrico County

John Vithoukias, Henrico County Manager; Jean Moore, Henrico County Assistant Director of Planning

John Vithoukias and Jean Moore addressed Henrico County's housing affordability challenges, noting only one in three residents can afford local housing amidst less than a month's supply of available housing in the county. They highlighted county initiatives, particularly a \$60M affordable housing trust fund supported by data center revenue, their aim to create 150 affordable units annually. Jean Moore detailed various zoning options, including the 2021 reintroduction of medium-density districts (R-3A, R-4, R-4A) and the allowance for ADUs. A primary focus was the newly adopted R-5B zoning district (Feb 2025), which permits minimum 3,000 sq ft lots (35 ft width) and densities up to 10 units/acre, targeting infill development and older platted areas. The presentation covered associated design guidelines intended to balance affordability with quality development. Ongoing efforts include inventorying existing narrow lots and integrating housing strategies into the HenricoNEXT comprehensive plan update.

Questions

Delegate David Bulova asked about how affordability is ensured with R-5B zoning. *John Vithoukias* responded that rezoning is voluntary; affordability is achieved post-rezoning via the \$60M trust fund (buying down costs for 15-20% of units, targeting 60-120% AMI) through a 501c3 partnership, aiming for integration with market-rate units.

Delegate Adele McClure asked if the plan includes mobile home subdivisions. *Vithoukias* answered not currently and said that Henrico is not currently focused on mobile homes and that instead the strategy centers on small lot developments combined with the trust fund moneys.

Economic Outlooks and Housing Status in Virginia

Sonya Ravindranath Waddell, Vice President and Economist, Federal Reserve Bank of Richmond

Sonya Waddell reported that the US economy remains resilient, exhibiting slowing but continued growth, with Gross Domestic Product (GDP) projected around 1.7% for 2025, while labor markets normalize. Virginia's economy generally mirrors US trends. Inflation is progressing towards the 2% target, though February Personal Consumption Expenditure (PCE) data showed slight elevation (~2.5% headline, ~2.8% core). Housing inflation is expected to moderate, but core services (excluding housing) present an ongoing challenge. Significant risks include tariffs (a major Chief Financial Officer concern), geopolitical tensions, and wage pressures. The housing market faces low national inventory (~1980s levels), though it's slowly increasing, and prices continue to rise. Virginia's house price growth has moderated but remains positive (~5% year over year in Feb). Affordability remains a critical issue, with median homeownership costs nationally consuming 40-50% of median income. Business and consumer sentiment have recently declined, and potential changes in federal spending and employment pose a notable risk for Virginia due to its high concentration in these areas.

Questions

Delegate David Bulova asked about how wages could rise while housing costs moderate. *Sonya Waddell* emphasized the enormity of the question and suggested that increasing housing supply through innovative means and gains in productivity in construction could be of great importance for controlling overall inflation.

Delegate Adele McClure asked Waddell to provide examples of housing innovation. *Sonya Waddell* offered to follow up with specific examples noting a focus on rural innovation.

Senator Ghazala Hashmi asked about the potential risk of a housing crash occurring in Northern Virginia due to federal job losses which may cause out-migration and falling prices. *Waddell* recognized the legitimacy of her concern, while also emphasizing that the current financial landscape (household debt,

mortgage types) differs from that in 2008, and the economic diversification efforts since that point in time may mitigate the impact. Forecasting is therefore difficult to predict.

Overview of Work Plan and 2025 Interim Workgroups

Director Palen presented the 2025 Interim Work Plan, which is comprised of 17 topics divided between two workgroups: Affordable Housing Solutions, Landlord Tenant and Real Estate Law, chaired by Delegate Sewell, and Neighborhood Transitions, Local Land Use and Community Living, chaired by Delegate Bulova. She noted that meetings will be held in person, adhering to a 2-hour limit, with limited remote participation options for House members who fulfill certain criteria as specified by the speaker of the House. Members not present may not vote nor be counted toward a quorum. The full Commission meeting dates are July 15, October 7, and December 4 (10 am, Senate Room C). The initial workgroup meetings are scheduled for the following dates: May 22 (Affordable Housing at 10 am, Neighborhood Transitions at 1 pm). **Members were requested to email Elizabeth Palen if they wish to continue participating in the workgroup where they were members last interim.**

Public Comment:

Janice Wolk Grenadier

- Raised concerns about alleged deed theft and fraudulent foreclosure practices involving forged documents and robo-signing, citing personal experience.
- Requested the Commission investigate these issues, potentially linking them to the aftermath of the 2008 financial crisis and compensation for affected homeowners.
- Delegate McClure informed the commenter that HB 2396 (Patron: Del. Marcus Simon) passed during the 2025 General Assembly Session. The bill mandates Virginia Housing study deed theft issues and report out outcomes by November 1, 2025.

Conclusion:

The meeting was adjourned at 2:18 p.m.

The Affordable Housing Solutions, Landlord/ Tenant & Real Estate Law Workgroup will meet on May 22, 2025 at 10:00 a.m. in Senate Room C (Room 311).

The Neighborhood Transitions, Local Land Use and Community Living Workgroup will meet on May 22, 2025 at 1:00 p.m. in Senate Room C (Room 311).