



2022 Annual Report

2022 Virginia Housing Commission

Executive Summary

The Virginia Housing Commission after a brief hiatus was re-activated as an independent commission through the biennial 2022 State Budget. Delegate Danny Marshall assumed his roll as Chair, he was elected by the Commission in December of 2021. Senator Mamie Locke retained her roll as Vice-chair of the Commission.

The majority of the Commission's work is accomplished through workgroups whose membership includes Senators, Delegates and housing stakeholders. This July, three workgroups were created:

- (1) Affordable Housing and Neighborhood Transitions, chaired by Delegate Danny Marshall and,
- (2) Common Interest Communities. chaired by Delegate David Bulova and,
- (3) Court Eviction Diversion Pilot Program, chaired by Senator Mamie Locke.

Members of the workgroups and their affiliations are available on the VHC website. (VHC.Virginia.gov)

Elizabeth A. Palen was appointed to the director position.

There were a few bills referred to the Commission (SB 284, Ebbin, A.2022, HB 586, VanValkenburg, S.2022) Additionally, SB Locke, 2022 directed the Commission to study and produce an interim report concerning the Pilot Court Eviction Diversion Program.

The meeting summaries reflect the work done on each of these bills.

Two proposed pieces of legislation were offered to the Common Interest Communities Workgroup but the workgroup did not have enough time in the interim to complete its study and make an endorsement.

The Court Pilot Eviction Diversion Workgroup observed the eviction docket at the John Marshall Court House. On the day the Workgroup observed, General District Court Judge Devika Davis preside over a docket that included many cases of late payment and unlawful detainer charges. The group was unable to witness the Pilot Eviction Diversion docket at work because no one that day, and rarely in the past two years had it been used. An interim report on the pilot is also available on the website.

The full Commission had many strong speakers who provided them with good housing information.

In July, economist Ryan Price from the Virginia Association of Realtors gave an informative talk including statistics for housing and the economy in Virginia. Hamilton Lombard from The Weldon Cooper Center presented demographic trends that affect housing outcomes in the Commonwealth.

Presentations concerning affordable housing needs, solutions including modular and mobile homes as well as procuring funding through CDFI's (community Development Funding Institutions) were given to the group. Additionally, pertinent topics such as short-term rentals were briefly discussed this interim.

The Commission has a strong interest in innovative solutions to affordable housing and the Commission completed its interim by hearing about the building of both 3-D houses and using hemp-crete to produce healthier homes.

Next interim each of these topics will be studied in a more in-depth manner.

During the legislative session the Commission looks forward to monitoring legislation and developing next interim's work plan.

The Commission offices are located at 701 East Franklin Street, Suite 704.

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Virginia Housing Commission

Commission Members

Delegate Daniel W. Marshall III, *Chair*

Senator Mamie E. Locke, *Vice Chair*

Senator George L. Barker

Senator Ghazala F. Hashmi

Delegate David L. Bulova

Delegate Carrie E. Coyner

Delegate Hyland F. "Buddy" Fowler Jr.

Delegate Briana D. Sewell

James Forest Hayes, Governor Appointee

Joshua Goldschmidt, Governor Appointee

Laura Lafayette, Governor Appointee

Affordable Housing, Real Estate Law, & Mortgages/Neighborhood Transitions and Building Codes

Workgroup Members 2022

House Members

Delegate Daniel W. Marshall, III, *Chair*

Delegate Carrie E. Coyner

Delegate Hyland F. "Buddy" Fowler, Jr.

Delegate Briana D. Sewell

Senate Members

Senator George L. Barker

Senator Ghazala F. Hashmi

Senator Mamie E. Locke

Governor Appointed Members

James Forest Hayes

Joshua Goldschmidt

Laura Lafayette

Citizen Members

Bismah Ahmed, *Apartment and Office Building Association of Metropolitan Washington*

Erin Kormann, *Virginia Association of Realtors*

Robert Bradshaw, *Independent Insurance Agents of Virginia*

Paul Brennan, *Virginia Housing Development Authority (Virginia Housing)*

Fred Bryant, *Virginia Housing Development Authority (Virginia Housing)*

Andrew Clark, *Home Builders Association of Virginia*

Tyler Craddock, *Virginia Association of Housing & Community Development Officials*

Kristen Dahlman, *Department of Housing & Community Development (DHCD)*

Tom Fitzpatrick, *Housing Opportunities Made Equal*

Michelle Gowdy, *Virginia Municipal League*

Kelly Harris-Braxton, *Virginia First Cities*

Bryan Horn, *Virginia Department of Housing and Community Development*

Kelly King Horne, *Homeward*

Brian Koziol, *Virginia Housing Alliance*

Joe Lerch, *Virginia Association of Counties*

Christie Marra, *Poverty Law Center*

Renee Pulliam, *Thalhimer Realty*

Anna Saltzberg, *Wetland Studies and Solutions*

Elizabeth Steele, *GRS Title Services*

Common Interest Communities

House Members

Delegate David L. Bulova, *Chair*

Delegate Hyland F. "Buddy" Fowler, Jr.

Delegate Carrie E. Coyner

Delegate Briana D. Sewell

Senate Members

Senator George L. Barker

Governor Appointed Members

James Forest Hayes

Joshua Goldschmidt

Citizen Members

Andrew Clark, *Home Builders Association of Virginia*

Tyler Craddock, *Virginia Association of Housing and Community Development Officials*

Kyle Flanders, *Department of Housing and Community Development*

Heather Gillespie, *Virginia Department of Professional and Occupational Regulation*

Michelle Gowdy, *Virginia Municipal League*

Bryan Horn, *Virginia Department of Housing and Community Development*

Joseph Hudgins, *Independent Insurance Agents of Virginia*

Mike Inman, *Community Associations Institute*

Erin Kormann, *Virginia REALTORS*

Joe Lerch, *Virginia Association of Counties*

Trisha Lindsey, *Virginia Department of Professional and Occupational Regulation*

Toni Ostrowski, *Virginia Housing*

Chandler Scarborough, *Chandler Scarborough Realty Green Run Homes Association*

Scott Sterling, *Common Interest Community Board*

Pia Trigiani, *Community Associations Institute*

Mike Urban, *Virginia Housing*

Jerry Wright, *Community Associations Institute*

Eviction Diversion Pilot Program

House Members

Delegate Daniel W. Marshall, III

Delegate Briana D. Sewell

Senate Members

Senator George L. Barker

Senator Ghazala F. Hashmi

Senator Mamie E. Locke

Governor Appointed Members

James Forest Hayes

Citizen Members

Erin Kormann, *Virginia Association of Realtors*

Troy Garrett, *Organization Management Group*

Michelle Gowdy, *Virginia Municipal League*

Bryan Horn, *Virginia Department of Housing and Community Development*

Christie Marra, *Poverty Law Center*

LeGrand Northcutt, *Virginia Department of Housing and Community Development*

Scott Pedowitz, *Apartment and Office Building Association of Metropolitan Washington*

Renee Pulliam, *Thalhimer Realty*

COMMONWEALTH OF VIRGINIA

DELEGATE DANNY MARSHALL, III Chair
SENATOR MAMIE LOCKE, Vice-Chair

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VIRGINIA HOUSING COMMISSION

AGENDA

**Virginia Housing Commission Wednesday,
July, 13, 2022, 10:00 a.m.
Senate Room A, The Pocahontas Building**

Welcome and Call to Order

Delegate Danny Marshall, Chair

EXECUTIVE SESSION

Commission Logistics (Bills referred, topics to study, website, contact info)

Elizabeth A. Palen

Demographic Trends in Virginia during the 2020s

*Hamilton Lombard, Research Specialist, Demographics Research Group
Weldon Cooper Center*

Virginia Housing Market Update: Current Trends and Outlook for Housing in Virginia

*Ryan Price, AICP
Chief Economist, Virginia REALTORS*

*Andrew Clark Vice President, Government Affairs
Home Builders Association of Virginia*

Current Housing Situation and Goals (Brief Comments)

*Bismah Ahmed, Vice President of Government Affairs, Virginia, Apartment and Office Building
Association of Metropolitan Washington (AOBA)*

Joe Ciszek, Housing Staff Attorney, Virginia Poverty Law Center

Adjourn

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SENATOR MAMIE E. LOCKE
ELIZABETH A. PALEN, Executive Director

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VIRGINIA HOUSING COMMISSION

Meeting Summary

**Virginia Housing Commission
Wednesday, July 13, 2022, 10:00 a.m.
Senate Room A, Pocahontas Building**

Introduction

The Virginia Housing Commission (The Commission) met to discuss the current housing crisis in Virginia. The meeting was called to order at 10:00 a.m. by Delegate Danny Marshall. Commission members made their introductions. The meeting format included presentations and discussion. Preceding presentations and discussion, the Commission voted to appoint Elizabeth Palen as their Executive Director. Ms. Palen spoke about plans for the upcoming year, stating that most of the work will be done in workgroups comprised of legislators and stakeholders.

Executive session was called and members of the public exited until its conclusion.

Presentations

Demographic Trends in Virginia During the 2020's

Hamilton Lombard, Weldon Cooper Center

Mr. Lombard presented information on "Demographic Trends in Virginia During the 2020s." Mr. Lombard's data included demographic trends from the 2000's and 2010's for comparison to today's numbers. He stated that overall population growth is slowing. Also, he pointed out that numbers indicate that people are moving out of large metropolitan areas like northern Virginia primarily because of cost-of-living increases. Costs of houses north of the James River have increased dramatically because of migration out of the metro areas.

Discussion followed the presentation. Questions and comments were raised about the effects of the increase of remote work due to the pandemic. Lombard explained that, while remote work has increased, it has not changed the distance people are willing to commute to a physical office building.

Delegate Marshall asked if research was done on the quality of work completed from home versus the quality of those working in an office. Mr. Lombard stated that studies have shown that, depending on the

type of work, most people are as productive at home as they are onsite. Mr. Lombard stated that broadband and telecommuting is going to increase over time and it has the potential to transform communities.

Senator Hashmi stated that because of the shift in telework and broadband access, we are experiencing growth in rural areas. Younger families and professionals are moving out of cities into more remote areas. She asked Mr. Lombard how we can project numbers so that planning can be done for economic, education, and other support needed as these areas grow. Mr. Lombard answered that the most important factor will be maintaining current data, as community landscapes have changed so much in the last few years.

Delegate Bulova asked if there are projections as to what changes in housing might be necessary to bend the curve of the rising housing costs? Further, what can be done in areas like Fairfax (and other metro areas) where housing is more expensive, and people are moving out? Would densification of housing or would single-family homes be the key? Mr. Lombard answered that densification is expensive, and there is a question as to whether high quality densification would compete with other areas in Virginia that can offer single-family homes.

Delegate Marshall pointed out that the difference in cost-of-living between Wake County, North Carolina and Arlington County, Virginia is significant. Mr. Lombard responded that the growth in Wake County has occurred more recently, and that allows more people in the area to fit more comfortably, therefore costs would be less.

Housing Market Trends in Virginia

Ryan Price, Virginia Realtors

Mr. Price presented an update on housing market trends in Virginia (mostly the existing home market). He spoke of the gross domestic product and current trends. Price said that Virginia is recovering well since the pandemic, and that we are recovering better now than during the recession in 2006-2008. In comparison, after the recession, the economy took three years to recover. Since the height of the pandemic, Virginia has taken only a year and one-half to recover. He asserted that this makes economic trends seem optimistic. Mr. Price also spoke about the unemployment rate in Virginia, stating that it is back to pre-pandemic levels. However, there are millions more who have left the labor force during this time. Retirees, those approaching retirement, parents of young children, and public-facing jobs left the labor force in droves during the pandemic.

Mr. Price highlighted mortgage rates, and he stressed that there is a large part of the market where people have only been shopping in very low interest rates (below four percent). It is therefore understandable that people are anxious now as the interest rates are rising. Inflation is affecting mortgage rates, and numbers are expected to level out. Mr. Price stated that the Virginia housing market has been shrinking for the last nine months, after record sales activity in 2021. He said that the supply of housing is so low that it is greatly impacting the housing market.

Mr. Price stated that he anticipates a very competitive housing market in the future because of the low housing supply. He stated that prices are still increasing, even with a lower supply of housing available. The good news is that the pattern is changing slowly, and inventory is beginning to increase, but it will take many years. He pointed out that the market is cooling in the near term due to rising mortgage rates,

high inflation, and general economic uncertainty. However, the overall outlook is positive, as demographics are favorable. Jobs and income are rising and unemployment is decreasing. Mr. Price concluded his presentation with a projection for the market in Virginia, showing that the trends are much better than they were in 2008.

Elizabeth Palen stated that this is the first meeting of the newly constructed Housing Commission, and the Commission will be looking at affordability, home building, apartments, etc., in- depth in further meetings.

Delegate Bulova asked what can state legislators do to help the housing situation in Virginia. Mr. Price answered that legislators can structure the economic growth of the state so that housing is in place to support it. Mr. Clark answered that if the legislators could create more certainty and accountability in the approval process, it would be helpful in keep construction happening.

Residential Land and Construction Trends

Andrew Clark, Home Builders Association

Mr. Clark presented on residential land and construction trends. He stated that material supply is the main issue impacting the housing market right now. Material costs have gone up almost 14 percent over the course of one year, and construction rates have increased largely in the last two years. Also, single-family and multi-family unit building has spiked during this time. Mr. Clark went on to stress, however, that rising mortgage rates and rising construction costs are pricing people out of home purchases at this time.

Rental Property Concerns

Bismah Ahmed, Apartment and Office Building Association of Metropolitan Washington

Ms. Ahmed presented briefly on current rental property concerns. She stressed that an affordability crisis is greatly impacting rental properties, and rising costs could affect people's ability to afford rent. In rental properties, renewal leases comprise the majority of rental agreements, and renewal rates are down seven to eight percent.

Eviction Rates in Virginia

Joe Ciszek, Poverty Law Center

Mr. Ciszek spoke about his concern about the eviction rate in Virginia, and mentioned that there is going to be a great shuffling in the rental housing community due to the economy. He asked that the Commission research a state rental assistance program to help bridge the gap for people facing a housing affordability crisis.

Public Comment

No public comment was offered.

Adjourn

The meeting was adjourned at 12:00 p.m.

All presentations today are available on the VHC website at www.vhc.virginia.gov

COMMONWEALTH OF VIRGINIA

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SENATOR MAMIE E. LOCKE
ELIZABETH A. PALEN, Executive Director

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VIRGINIA HOUSING COMMISSION

AGENDA

Affordable Housing and Neighborhood Transitions Workgroup
Thursday, September 8, 2022, 9:30 a.m.
House Room 1, The Capitol

- I. Welcome and Call to Order
Delegate Danny Marshall, Chair

 - II. Discussion - Defenses for Non-Payment of Rent
(SB 284. Ebbin, A, 2022)
Senator Adam Ebbin -Bill Introduction

Christie Marra, Director of Housing Advocacy
Virginia Poverty Law Center

Erin Barton, Legislative Counsel
Virginia Association of Realtors

 - III. Short Term Rentals
Update - What is the Status Around the Commonwealth?
Vincent Frillici, Airbnb Virginia Policy Manager

Jerri Wilson, Intergovernmental Affairs Manager
City of Newport News

 - IV. Public Comment

 - V. Adjourn
-

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VIRGINIA HOUSING COMMISSION

Affordable Housing and Neighborhood Transitions Workgroup Thursday, September 8, 2022, 9:30 a.m. House Room 1, The Capitol

Introduction:

The meeting was called to order at 9:30 a.m. by Delegate Danny Marshall.

The Affordable Housing and Neighborhood Transitions Workgroup, of the Virginia Housing Commission held its first meeting of the interim with Delegate Danny Marshall, chair, presiding. The format included presentations and discussion.

The Chair explained that the bill concepts would be discussed, and input would be welcomed by all workgroup members. He emphasized that the goal of the workgroup is to create strong, effective legislation. It is unlikely bills will leave the workgroup in the format in which they were referred. The bills to be discussed were referred to the Commission during the past legislative session and placed in the workgroup for study. The workgroup also studies current housing needs, and it will follow through on past issues and legislation that previously was discussed (i.e.: short-term rentals.)

Presentations:

Defenses for Non-Payment of Rent (SB 284, Ebbin, A, 2022)

Senator Adam Ebbin

Senator Ebbin introduced the bill and a new amendment. Christie Marra, Poverty Law Center stated that the purpose of the amendment is to attorneys' fees paid, and to allow two or more adversely affected people with similar issues to file against a landlord, collectively. She asserted that the payment of attorneys' fees would allow for plaintiffs (the tenants) to gain representation where it is now difficult for them to do so. The cases would also be moved to Circuit Court instead of General District Court where they are now heard.

This is an alternative to SB 284 which includes a slight modification to existing law Title 55.1-1259. Marra explained this is to enforce tenants' rights to live in habitable conditions. It is meant to address the

truly egregious conditions and (mainly out of state) “bad actor” landlords who own large complexes with unsanitary conditions.

Questions and discussion followed the presentation, including concerns raised about the income level of those affected by the proposed legislation, whether provisions were made to ensure that those who file under this bill would fall below the median income level. After discussion, the group concluded that inserting an income level would promote a “slippery slope” if only certain people were to be covered the protections in the proposed law. Delegate Marshall asked that the Commission research what remedies are already in place for this issue, such as the Virginia Consumer Protection Act.

Senator Ghazala Hashmi stated that in some properties there is a lack of access to toilet facilities; there is also non-potable water, mold, and more. Further, she stated that in some situations, the tenant has vacated the property but still seeks a remedy. She asked if these former tenants could seek recourse against the landlord from years of noncompliance. The answer was yes.

Delegate Coyner stated that there is already a local process in place for action of tenants against landlords. She asked, if we know that the goal is not to go to court, is there a faster, cheaper, reasonable path that serves our communities better? Ms. Marra responded that yes, there is a process in place, but she asserted that we could make a better remedy for the localities to review situations, hopefully avoiding court cases. She stated that there is a rental inspection program used in many localities, to investigate tenant assertions. Delegate Danny Marshall, asked the Commission to research which localities have the rental inspection programs.

Senator Ebbin requested the workgroup look at this concept again before this bill is presented to the full Commission in December.

Companion Animals in Apartments (HB 586, VanValkenburg, S, 2022)

Senator George Barker (via Zoom)

Senator Barker presented this bill on companion animals in apartments, stating that it addresses the issue of people who allege the need for an assistance animal but have fraudulent paperwork to verify the need. This bill would deem such fraudulent activity a class four misdemeanor, stating also that the landlord can reject the claim of a tenant in the absence of proper documentation. Discussion ensued, with comments about balancing the rights of people in actual need of an assistance animals, versus those who are “bad actors.”

Delegate Marshall asked for clarification on the terms “service animal” and “assistance animal.” The response was that they are not interchangeable terms, and the term “assistance animal” is defined in the Code but does not specify the category of animal. Elizabeth Palen, Executive Direction of the Commission, clarified that the wording in the bill comes from federal law. The bill in current format had passed unanimously in the House but not the Senate during the 2022 legislative session.

Delegate Marshall asked who needs verification in these instances: the person, the animal, or both? Renee Pulliam, Thalhimer Realty, answered that property owners cannot ask questions to verify a disability, but the tenant needs to have verified documentation of the need, and the animal needs to be verified as an assistance animal.

Several comments and questions followed, pressing for action to deter fraudulent providers of the verification needed to have an assistance animal. It was agreed that the larger issue is the providers who certify animals for profit. Multiple members of the workgroup questioned the penalties for fraudulent providers. Delegate Coyner stated that this current bill puts too much responsibility on the tenant who could have fallen victim to a fraudulent healthcare provider. Delegate Marshall requested that the Commission research who is currently working to counter these fraudulent providers. Senator Hashmi commented that we should be careful not to trivialize the aspects of the needs of people with disabilities. She stated that we do not want to make a mockery of these people. Further, we should not create barriers and obstacles to these individuals.

Short Term Rentals

Jerri Wilson, Intergovernmental Affairs Manager, City of Newport News

Jerri Wilson presented the current short-term rental ordinance in the City of Newport News, including the definition of “short-term rental,” and established zoning districts. She said that short-term rental is a new housing format for Newport News, and the city is doing all it can to embrace and create the best legal structures to incorporate the new housing type. There was discussion and comment by members of the workgroup about several aspects of her presentation, but overall, Ms. Wilson stated that her city is working through issues and developing plans as the new ordinance has only been in effect since June 28, 2022. As of this date, there are 776 Air B&B homes available in the City of Newport News.

Questions were raised, asking if every short-term rental property must be a primary residence for 185 days per year. Ms. Wilson answered, yes. Erin Kormann, Virginia Association of Realtors, commented that this ordinance effectively makes it untenable for a person to rent the property, as the owner must look for somewhere else to live while the home is being rented out.

Ms. Kormann inquired about the reasoning behind a the six-person maximum on a short-term rental. Ms. Wilson answered that it is to maintain the character of the neighborhood. Further, she stated that the reasoning behind it is the understanding that the larger the group that stays in a rental property, the more disruptive it would be to the neighborhood. Delegate Marshall asked that the Commission research what other cities in Virginia are doing in terms of their regulations for short-term rentals.

Robert Bradshaw, Independent Insurance Agents of Virginia, commented that these short-term rental properties will need to examine their homeowner policies. As of July 2023, a home can only be rented seven times a year and still be considered “residential.” If a home is rented more than seven times a year, the homeowner would need a commercial property insurance policy.

Public Comment

No public comment was offered at this meeting.

Adjournment

The meeting was adjourned at 12:00 p.m.

Materials presented at the meeting are accessible through the Commission’s webpage: vhc.virginia.gov

COMMONWEALTH OF VIRGINIA

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

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VIRGINIA HOUSING COMMISSION

AGENDA

Common Interest Communities Workgroup Meeting
Tuesday, October 18, 1:00 p.m.
House Room 1, the Capitol

- I. Welcome and Call to Order
 - *Delegate David Bulova, Chair*
 - II. Report on Common Interest Communities Board and Ombud Activity
 - *Heather Gillespie, Ombud, Department of Professional & Occupational Regulation*
 - *Joseph Haughwout, Board and Regulatory Administrator, Department of Professional & Occupational Regulation*
 - III. Minimum Thresholds for Use of Nonjudicial Foreclosure
 - *Senator Scott Surovell*
 - IV. Update on Structural Integrity Work Group (SB 740, S. Surovell, 2022)
 - *Pia Trigiani, Work Group, Chair*
<https://lis.virginia.gov/cgi-bin/legp604.exe?ses=221&typ=bil&val=sb740>
 - V. Monetary Charges for Recurring Offenses
 - *Pia Trigiani, Community Associations Institute*
 - VI. Public Comment
 - VII. Adjourn
-

COMMONWEALTH OF VIRGINIA

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

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VIRGINIA HOUSING COMMISSION

Meeting Summary

Common Interest Communities Workgroup Meeting
Tuesday, October 18, 1:00 p.m.
House Room 1, the Capitol

Introduction

The Common Interest Communities (CIC) Workgroup of the Virginia Housing Commission (the Commission) met to discuss the current state of common interest communities in Virginia. The meeting was called to order at 1:09 p.m. by the Chair, Delegate David Bulova. Workgroup members made their introduction, and the meeting format included presentations and discussion.

Presentations:

Report on Common Interest Communities Board and Ombud Activity

Heather Gillespie, Ombud, Department of Professional & Occupational Regulation (DPOR), presented statistics from her office for the last ten years. She reported that her office no longer reports on time share complaints (time shares are excluded as common interest communities, as of the last two years). Gillespie commented that DPOR has received several notices of Final Adverse Decision (NFAD), with the most common subjects being access to books and records, notice of meetings, and information distribution. Gillespie stated that her office has created new documents to explain the different types of association complaints and information on the proper filing of a NFAD.

Pia Trigiani, of Community Associations Institute, commented that communication among property owners is poor. She encouraged this Workgroup to look for ways to improve communication. She also asked that the CIC Workgroup explore insurance coverage for water damage. Delegate Bulova requested that the Commission research these issues and work toward completion by the 2024 session.

Erin Kormann, of Virginia REALTORS, asked if complaints listed in Ms. Gillespie's report, (whether within their jurisdiction or not) are complaints that have been resolved. Ms. Gillespie responded that yes, complaints are considered closed, but if the company has not come into compliance, the file is flagged with a timeframe for the association to come into compliance. Ms. Kormann went on to ask about the criteria to submit a complaint all the way to the Common Communities Board of DPOR. Ms. Gillespie responded that DPOR does follow a process by which issues are presented to the Common Interest Communities Board.

Delegate Bulova asked if time shares should be added back under the purview of the Common Interest Communities Board. Ms. Gillespie answered that complaints of this nature are primarily due to owners attempting to sell time shares and who are unable to get out of a contract, answering that this particular issue is not dealt with by the Common Interest Communities Board.

Joseph Haughwout, Board Administrator, DPOR, presented updates on the CIC Board of DPOR, and announced who are the new members of the CIC Board. Mr. Haughwout mentioned the general concepts of Senate Bill 740 and Senate Bill 693. (All materials are available on the Virginia Housing Commission website.)

Senator Scott Surovell: Minimum Thresholds for Use of Nonjudicial Foreclosure

In his presentation, Senator Scott Surovell summarized his proposed bill with this question: under what circumstances should a common interest communities association be able to conduct a nonjudicial foreclosure? He stated that this bill calls for a \$5,000 threshold before a house can be foreclosed upon. Surovell asserted that there is no judicial review of current processes.

Questions and comments followed the presentation. Sen. Surovell stated that the cases this bill will cover are few and far between, nonetheless he asserted that this bill is necessary to squash the outliers who do fall under this legislation. Delegate Bulova inquired about the possibility of reworking the bill, as there is not yet consensus concerning the content. Bulova requested that Pia Trigiani and Jerry Wright further examine the bill and offer suggestions to adapt it for a new presentation to the Workgroup at a later date.

Pia Trigiani: Update on Structural Integrity Work Group (SB 740, S. Surovell, 2022)

SB 740 addresses standards for structural integrity and for maintaining reserves to repair, replace, or restore capital components in common interest communities. Ms. Trigiani said the bill, which Senator Surovell drafted, is based on concerns stemming from events in Florida, where a condominium collapse exposed the lack of review on structural integrity due to lack of maintenance. Ms. Trigiani stated that Virginia is one of nine states that requires businesses to conduct a reserve funds study every five years. Even with a required study there is no mandatory requirement for businesses to put money into reserve accounts to cover structural components. A group of stakeholders (approximately twenty-five people) has been asked to study SB 740. Four meetings of this workgroup will be held in different areas of the state of Virginia. If legislation is created from those undertaking this study, it will be ready for the 2024 session.

Discussion included questions and comments from CIC Workgroup members.

Delegate Bulova commented about the lack of enforcement by common interest community boards (and members of communities themselves) to raise assessments when necessary, so that reserves are available in times of crisis. Ms. Trigiani stated that the issue is one of enforcement. She asserted that currently local governments do not see an inspection role as helpful or effective, further asserting that structural testing is what is actually necessary. She stated that reserve fund studies need to be done to make sure monies are available, and the workgroup for SB 740 will be addressing this issue. Senator Surovell reported that there was a partial building collapse in his district, he asserted the need for mandatory compliance enforcement on reserve funds.

Pia Trigiani: Monetary Charges for Recurring Offenses

Mr. Lenny Kaplan and Mr. Howard Silver, condominium residents in Delegate David Bulova's district, introduced this topic via Zoom. They presented concerns with the current Condominium Act including a lack of specificity in the current wording, and questions about taking legal action in such cases.

Pia Trigiani presented a draft with updates to the Condominium Act and the Property Owner's Association Act. One major change in the Condominium Act is that in its new wording, a local HOA boards would have the authority to assess and assign monetary charges for offenses. A second change addresses the need for a formal process in dealing with recurring offenses, stating that there would not be a need for a second hearing rather a board would have the authority to act if a repeat violation is reported. For single offenses, new wording would give the property owner an opportunity for a hearing, and then a monetary charge could be assigned.

Discussion followed including comments and questions by several CIC Workgroup members, including discussion of the term "recurring." It was concluded that "recurring" offenses refer to those occurring during the same calendar year.

Public Comment

There was no public comment.

Adjournment

The meeting was adjourned at 3:18 p.m.

****All meeting materials are available on the Virginia Housing Commission website.****

COMMONWEALTH OF VIRGINIA

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VIRGINIA HOUSING COMMISSION

AGENDA

Affordable Housing and Neighborhood Transitions Workgroup
Wednesday, November 9, 2022, 10:00 a.m.
House Committee Room, Pocahontas Building

- VI. Welcome and Call to Order
 - *Delegate Danny Marshall, Chair*
- VII. Partnerships to Address Virginia's Affordable Housing Needs
 - *Kim Bobo, Executive Director
Virginia Interfaith Center for Public Policy*
 - *Andrew Clark, Vice President Government Affairs
Home Builders Association of Virginia*
 - **Proposed bill, Andrew Clark*
- VIII. Scaling Housing Resources Through Community Development Financial Institutions Funds (CDFIs)
 - *Leah Fremouw, CEO, Bridging Virginia
Board President, VA CDFI Coalition*
 - *Bryan Phipps, President and CEO, People Inc.*
- IX. Update on Mobile/Modular Homes in Virginia
 - *Randy Grumbine, Executive Director
Virginia Manufactured and Modular Housing Association*
 - *Tyler Craddock, Vice President of Government Affairs,
Legislative Strategies*
- X. Follow Through on Companion Animals in Apartments (HB 586, VanValkenburg, S, 2022)
 - **Proposed bill for 2023*
- XI. Public Comment
- XII. Adjourn

COMMONWEALTH OF VIRGINIA

DELEGATE DANIEL W. MARSHALL, III Chair
SENATOR MAMIE E. LOCKE
ELIZABETH A. PALEN, Executive Director

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VIRGINIA HOUSING COMMISSION

Meeting Summary

**Affordable Housing and Neighborhood Transitions Workgroup
Wednesday, November 9, 2022, 10:00 a.m.
House Committee Room, Pocahontas Building**

Introduction

The meeting was called to order at 10:03 a.m. by Delegate Daniel Marshall.

The Affordable Housing and Neighborhood Transitions Workgroup, of the Virginia Housing Commission held its meeting with Delegate Marshall, Chair, presiding. The format included presentations and discussion. Materials presented at the meeting are accessible through the Virginia Housing Commission's webpage: vhc.virginia.gov

Presentations

Partnerships to Address Virginia's Affordable Housing Needs

Kim Bobo, Executive Director, Virginia Interfaith Center for Public Policy

Ms. Bobo shared ideas from the Virginia Interfaith Center for Public Policy about how the legislature might partner with faith communities to provide affordable housing. She stated that there are many congregations throughout Virginia who are considering either selling their buildings or designating parts of them for other uses. She asserted that the creation of new policies could help these congregations explore the idea of turning church structures into affordable housing. Bobo presented other ideas including suggestions on how the legislature could help congregations assist first-time homebuyers through the creation of policies that would make gift-giving easier.

Following the presentation, questions were raised including those about the possibility of congregations donating land to an already existing “land bank.” Bobo answered that many congregations are interested in donating a part of the building for housing use, and that a land bank donation would mean that the church gives the entire property, making this option less appealing to churches. A question was raised as to whether funds for these ideas would be included in the Governor’s budget, and the answer is unknown at this time.

Scaling Housing Resources Through Community Development Financial Institutions Funds (CDFI’s)

Leah Fremouw, CEO, Bridging Virginia and Bryan Phillips, President and CEO, People, Inc.

Leah Fremouw presented on the shortage of affordable housing in Virginia. She explained that CDFI’s are comprised of private financial institutions that are dedicated to delivering affordable support to help low income, low wealth, and other disadvantaged people and communities join the economic mainstream. There are eighteen CDFI’s in Virginia. They are made up of different types of financial institutions, including for profit and nonprofit. They provide lending, advisory services, and investing. Ms. Fremouw stated that, in 2019, 1535 housing units were created or preserved across the Commonwealth. In 2019, CDFI’s created 1791 jobs, and leveraged resources like federal and state programs.

Bryan Phillips presented on community development investment portfolios, including a project in Luray, Virginia. A new community was created, named Luray Meadows, and has a rental rate that is an average of 40 percent less than the average achievable market rate rents. A total of 52 housing units were provided, but the total need was about 800. He also spoke of the issues of regulatory requirements that could be detrimental to affordable housing projects. Leah Fremouw then presented creative ways in which CDFI’s provide funds, such as grants (9.7 million were awarded to twelve intermediaries in 2022).

The presentation included two current goals of CDFI’s including establishing a program at the Department of Housing and Community Development (DHCD) that could become a permanent resource, and scaling the program to 30 million dollars to recapitalize the small business fund.

Questions and comments followed the presentation. Senator Ghazala Hashmi requested further explanation about adding housing resources, asking if CDFI’s could include construction costs and mortgage opportunities. Ms. Fremouw answered that refinancing is currently the focus, but in the future CDFI’s could include funds for refurbishing existing structures and providing funds for the construction of new housing.

Update on Mobile/Modular Homes in Virginia

Randy Grumbine, Executive Director, Virginia Manufactured and Modular Housing Association, and Tyler Craddock, Vice President of Government Affairs, Legislative Strategies

Tyler Craddock began the presentation on manufactured housing in Virginia. Manufactured housing is classified as a structure built to federal standards designed to be a dwelling (Manufactured Home Construction and Safety Standards by the Department of Housing and Urban Development (HUD) codes. Modular housing is subject to only state standards, while mobile homes are structures that were manufactured before the HUD standards were in place.

Mr. Craddock and Mr. Grumbine continued with an explanation of the manufactured housing regulatory framework in Virginia and an outline of the factory-building process for homes.

The presentation concluded with an assertion of the importance of manufactured homes on the market, as they offer an affordable option for individuals and families hoping to purchase a home.

Discussion followed the presentation. Senator Ghazala Hashmi commented that the rights of mobile homeowners need to be protected, especially in rural regions. Mr. Grumbine responded that tenant protections have been added recently, but more research and work needs to be done.

There was discussion about the need for the general improvement of mobile home parks, followed by comments about the possibility of innovative financing for mobile home purchases and a goal of replacing the mobile homes built in or before 1976, before the HUD codes were established.

Follow Through on Companion Animals in Apartments

Delegate Carrie Coyner

Delegate Coyner presented a new draft of HB 586, VanValkenburg, S, 2022 (a proposed bill for 2023). The new draft focuses on the companies who provide intentionally fraudulent documentation. She requested on Delegate VanValkenburg's behalf that the Commission continue to research other states' processes on this issue. Coyner made a motion that the workgroup move this bill to the full Virginia Housing Commission for review. The motion passed by a vote of the workgroup of 19-1.

Public Comment

Mr. Steven Nesmith, the new CEO of Richmond Housing Authority, introduced himself to the workgroup. He stated that he plans present a housing revenue bond and a tax increment financing revenue bond. Wells Fargo plans to create five thousand new homeowners.

No other public comment was offered.

Conclusion

Delegate Daniel Marshall concluded the meeting stating that the next full commission meeting will be December 14, 2022, location to be determined.

Adjourn

Meeting was adjourned at 11:47 a.m.

COMMONWEALTH OF VIRGINIA

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VIRGINIA HOUSING COMMISSION

AGENDA

Full Commission, Virginia Housing
601 S Belvedere Street, Richmond, VA 23220
Wednesday, December 14, 2022 - 1:00 p.m.

- I. Welcome and Call to Order
Delegate Danny Marshall, Chair
- II. Presentations

New Materials and Innovations in Housing

- a. Building with Hempcrete
Cameron McIntosh, Founder, Americhanvre Hemp Building Solutions
- b. Up-Date on 3-D Building and other Non-Traditional Building Choices
Andrew McCoy, Ph.D, Director, Virginia Center for Housing Research, Virginia Tech

Legislative Housing Initiatives 2023 Session

- a. Delegate Danny Marshall
- b. Delegate David Bulova

HB854 Statewide Housing Study: Major Findings and Policy Implications

- a. Susan Dewey, CEO, Virginia Housing
- b. Jonathan Knopf, Executive Director for Programs, HousingForward Virginia

- III. Public Comment
- IV. Adjourn

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VIRGINIA HOUSING COMMISSION

Meeting Summary

Full Commission, Virginia Housing
601 S Belvidere Street, Richmond, VA 23220
Wednesday, December 14, 2022 - 1:00 p.m.

Introduction

On December 14, 2022, the full Virginia Housing Commission (the Commission) met at the Virginia Housing building. Delegate Daniel Marshall called the meeting to order at 1:03 p.m. Commission members made their introductions. The meeting consisted of presentations, followed by questions and discussion.

Presentations

Building with Hempcrete

Cameron McIntosh, Founder, Americhanvre Hemp Building Solutions

Mr. McIntosh presented information about hempcrete, a material made of commercial hemp hurd. He reported that hempcrete is a non-structural, bio composite insulation and walling material, and has been used in France since the late 1970's. It is now fully approved for building use in the United States. Hempcrete is not concrete, rather it is an insulation, more than it is a structural material. It has impressive thermal performance and is extremely fire resistant. McIntosh stated that hempcrete has a large carbon storage potential, and it creates a comparatively high interior air quality. Hempcrete can be pre-cast, which can save time during the building process. McIntosh reported in detail on the process for building with hempcrete. He also shared several project examples with the Commission.

Questions and comments followed the presentation. Delegate Marshall asked if hempcrete might be adopted by traditional builders down the road. McIntosh answered that he does not believe that hempcrete will be used in the near future, because it does not maximize profit for the builder.

Delegate Coyner expressed her disapproval of the description of hempcrete as a superior building material. She also asked about the cost per square foot, and McIntosh answered that it is about 30% higher in cost than traditionally built homes. He answered that the cost upfront may be more, but over time, heating and cooling costs would go down, leveling the cost.

Delegate Bulova asked about hempcrete's ability to withstand water damage. Mr. McIntosh answered that hempcrete will deteriorate in moisture, but he said that it withstands moisture better than traditional insulation and drywall.

Laura Lafayette asked what the oldest hempcrete structure is in existence, and she inquired about the insurance implications for hempcrete homes. He suggested that studies show that hempcrete homes may have a longer lifespan than traditional homes. McIntosh answered that he has not seen any issues in insuring hempcrete homes. The oldest house was built in the late 1970's in France and is still standing now.

Update on 3-D Building and other Non-Traditional Building Choices

Andrew McCoy, Ph.D., Director, Virginia Center for Housing Research, Virginia Tech

Mr. McCoy presented on work done through the Virginia Center for Housing Research, including projects and policies created most recently. He stated that, as housing costs are rising, new technological innovations are needed to make housing more affordable. These innovations include 3-D printed houses. He presented one particular 3-D printed home, built in Richmond, Virginia, sharing the complete building process. Studies of these types of homes have shown that energy costs are greatly diminished in a 3-D home, as compared to a traditional stick-built home.

McCoy then spoke about a project on adapted manufactured housing in Chesterfield County, Virginia. He reported that older, existing structures in this community, Bermuda Estates, are leaking much more air than the new, factory houses, concluding that energy costs would be much reduced on the new homes.

Report on Virginia Housing Commission Work in 2022

Elizabeth Palen, Executive Director

Ms. Palen reported on the work of the Virginia Housing Commission in 2022, including the three workgroups: Affordable Housing and Neighborhood Transitions, Common Interest Communities (CIC), and Eviction Diversion Pilot Program; and proposed bills for the General Assembly. She reported that the Virginia Housing Commission has new office space on Franklin Street.

Legislative Housing Initiatives 2023 Session

Delegate Danny Marshall reported on a bill that allows the Industrial Development Authority (IDA) to go out and develop residential lots, as it does for industrial parks. This would allow for land preparation for housing, not just industry.

Delegate David Bulova reported on the CIC workgroup. He mentioned that timeshares are no longer a part of the work of the Common Interest Communities Board of Department of Professional & Occupational Regulation. Bulova then reported on the difficulty in dealing with repeat offenses in Homeowner Associations (HOA's). He spoke of the Virginia Code and the bill that will address these types of offenses in HOA's. This bill has been submitted to the Department of Legislative Services.

Delegate Bulova then introduced a concept for a livable home tax credit program, hoping to benefit senior citizens and those with disabilities.

Delegate Carrie Coyner reported on a bill that will deal with Homeowner Association management companies. This bill would require community management companies to report when their contracts come up for renewal, so that HOA's have the opportunity to decide whether or not to continue business with an existing community management company.

HB854 Statewide Housing Study: Major Findings and Policy Implications

Susan Dewey, CEO, Virginia Housing, reported that this year is the 50th anniversary of Virginia Housing. She stated that the sole purpose of Virginia Housing is to create housing for Virginians and to search for innovative ways to create affordable solutions to the current housing crisis. She introduced HB854, a lengthy statewide housing study.

Jonathan Knopf, Executive Director for Programs, HousingForward Virginia reported on the HB854 Housing Study. The study took place from January of 2020 to January of 2022. Data collected since the report has been updated due to rising costs in 2022. He reported on the rental market, homeownership, and homelessness assistance and prevention. He stated that the study showed that average rental rates in Virginia have risen an average of 50 percent, and even with rising income, housing affordability is still an important issue. He reported that Virginia is a national leader in rental assistance programs. Knopf reported that the average home cost is out of reach for most renters in Virginia. Today, homeownership is much less common among younger adults. He also reported that homelessness prevention programs are well-coordinated and are working around the Commonwealth. The full report is available at bit.ly/hb854study.

Questions and comments followed the presentation. Delegate Bulova asked what it would take for Virginia Housing to bring the existing programs in the state to the "right size" for the needs of the Commonwealth. Knopf answered that more analysis is needed to assess that issue. Comments were offered about the mortgage interest rates in this current economic climate, acknowledging that there is still uncertainty as to the direction rates will go in the near future.

****Full presentations, including slides and videos, are available on the Virginia Housing Commission website: www.vhc.gov****

Public Comment

No public comment was offered.

Adjourn

The meeting was adjourned at 3:12 p.m.