

COMMONWEALTH OF VIRGINIA

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VIRGINIA HOUSING COMMISSION

MEETING SUMMARY

Virginia Housing Commission

Senate Room A, General Assembly Building

November 17, 2010; 1:00 P.M.

Members Present: Senator Mamie Locke, Delegate John Cosgrove, Senator John Watkins, Delegate David Bulova, Delegate Roslyn Dance, Delegate Danny Marshall, Delegate Glenn Oder, T.K. Somanath, Melanie Thompson

Staff Present: Elizabeth Palen

I. Welcome and Call to Order

- Senator Mamie Locke, *Chair*

II. Virginia Housing Policy

- Robert C. Sledd, *Senior Economic Advisor to the Governor*
- Virginia Housing Policy Initiative Update (see attached).
 - Housing is an important state priority and is an essential factor in economic development. Housing policies and strategies include establishing the Virginia Foreclosure Task Force, promoting sustainable and vibrant communities, providing a range of housing options, and preventing and reducing homelessness by establishing the Homelessness Outcomes Advisory Committee.
 - The executive branch is invested in working with the legislative branch through the Housing Commission in order to implement the housing policies' initiatives.
 - Recommendations that currently pertain to the Housing Commission include:
 - Creating a structure authorizing the state housing trust fund to enable a consistent source of "gap" financing for affordable housing development.
 - Addressing local barriers to affordable housing.

III. Housing Affordability, Real Estate Law & Mortgages Workgroup, *Delegate John Cosgrove*

- SB 273 (Whipple, 2010) and HB 233 (Dance, 2010) were amended to clarify that owners of four or more rental units may show proof that the unit is an affordable housing unit.
 - The bill as amended was recommended by the Housing Commission to be submitted to the entire legislature.

DELEGATE DAVID L. BULOVA
DELEGATE JOHN A. COSGROVE
DELEGATE ROSALYN R. DANCE
DELEGATE DANIEL W. MARSHALL, III
DELEGATE G. GLENN ODER

SENATOR MAMIE E. LOCKE
SENATOR JOHN C. WATKINS
SENATOR MARY MARGARET WHIPPLE

F. GARY GARCZYNSKI
T. K. SOMANATH
MELANIE S. THOMPSON

- HB 1152—Foreclosure of affordable dwelling units (Scott, 2010)
 - Requires that a locality or housing authority that operates an affordable dwelling unit (ADU) under state authority be notified if the unit goes into foreclosure. The bill would also give the housing authority the right to purchase the unit for the purchase price at the time of the foreclosure.
 - A sub-workgroup with all stakeholders present met to discuss bill but could not reach a consensus on the issue. No draft will be submitted to the legislature.
- Ratio Utility Billing System (RUBS)
 - RUBS is a method of allocating costs of utilities to apartments where units are not individually metered. Utility bills are distributed to individual units based on an allocation formula.
 - Representatives of the City of Alexandria discussed problems tenants in the city were having. An issue arose when a tenant received a water bill that is higher than his/her regular bill and they want to know why. The statute requires that the landlord make the master utility bill available to the tenants. The landlord tells his tenant to contact a third party billing company. The billing company then tells the tenant to contact their landlord.
 - The workgroup decided this was an issue best resolved on a local level.
- Mandatory Student Housing
 - Delegate Cosgrove gave an overview of an issue involving some Virginia colleges and universities which are mandating that students live on campus.
- HB 1085—Manufactured Home Lot Rental Act (Crockett-Stark, 2010)
 - The bill was heard by the workgroup but it was determined the bill needed more discussion and work.

IV. Neighborhood Transitions Workgroup, *Delegate Rosalyn Dance*

- HB 232—Civil penalty for landlords (Dance, 2010)
 - Delegate Bulova explained that HB 232 affords localities the ability to hold landlords responsible for tenants who continually violate § 18.2-387, § 18.2-388, or § 18.2-415 of the Code of Virginia. The bill provides a locality the proper tools to ensure that indifferent landlords pay attention to their property and take curative measures where tenants are disruptive in the neighborhoods.
 - This bill has been modified from last session's bill to allow for sooner notification by the locality within a tighter timeframe.
 - It was discussed that the scope would be limited to areas near universities or blighted areas.
 - The bill will be reviewed at the next Housing Commission meeting on December 7, 2010.
- HB1280—Fair Housing Law (McClellan, 2010)
 - It is a violation of the Fair Housing Act to deny the application for local land use ordinances or guidelines based on the fact that the proposed development shall be operated in full or in part as affordable housing.
 - This bill was recommended by the Housing Commission to be submitted to the legislature.

- HB 790—Removal of defacement from structures (Villanueva, 2010)
 - The bill was requested by the City of Virginia Beach to help alleviate the costs of removing graffiti from public structures. The intent is to limit the ability to charge owners for removal of subsequent defacement and only when it cost over 1,000 dollars.
 - A sub-workgroup met to discuss the bill but was not able to reach a consensus on the issue.
- HB 960—Local housing trust fund (Ingram, 2010)
 - The bill will provide localities with the authority to create a local housing trust fund for affordable housing.
 - Questions were raised over whether the bill conflicted with existing law.
 - The commission decided work will be done next year to develop a state-wide housing trust fund.
- Landlord/Tenant Assertions; Rent Escrow
 - Chip Dicks, *Virginia Association of Realtors*, and Christie Marra, *Poverty Law Center*, spoke about the proposed bill which would allow tenants to pay rent into an escrow account when there is a dispute with the landlord over compliance with the rental agreement.
 - This draft required more work and will be reheard at the next Housing Commission meeting on December 7, 2010.

V. Common Interest Community Workgroup, Senator Mary Margaret Whipple

- HB 348—Common Interest Communities Board; increase in annual assessment (Watts, 2010)
 - The bill tried to equalize the formula used to determine annual assessments for the fee to be paid to the Common Interest Board for registration.
 - This bill was not recommended by the Virginia Housing Commission.
- SB 221—Covenants regarding natural drying devices (Puller, 2010)
 - This bill would allow homeowners to put a natural drying device, such as a clothesline, up in their backyard. The bill would be applied prospectively.
 - This bill was not recommended by the Virginia Housing Commission.
- HB 349—Common Interest Community Board; provisional licenses for property managers (Toscano, 2010)
 - Provisional licenses for property managers of Common Interest Communities.
 - The decision was made that steps have already been taken to remedy the situation.
- HB 1330—Real Estate Time-Share Act; right to surrender (Cosgrove, 2010)
 - The bill allows for dissolution of the contract between timeshare owners and developers.
 - A sub-workgroup met and no consensus was reached on the issue.
- HB 812—Virginia Condominium Act (Abbott, 2010).
 - This bill prohibits home owner's association from establishing rules or restrictions concerning the operation of privately owned motor vehicles within the common areas of the owners' association.
 - The patron requested that the bill not be recommended in its current form and the Commission concurred with her request.

VI. Housing and Environmental Standards Workgroup, Senator John Watkins

- Green Building Code
 - A speaker attended the workgroup meeting to discuss creating a green building code in Virginia.
 - The workgroup decided this is an issue the Department of Housing and Community Development (DHCD) should explore.
- Chinese Drywall
 - Chip Dicks spoke about a proposed bill that would create a database of homes in Virginia that contain Chinese Drywall.
 - The bill will be reviewed at the December meeting.
- Sprinklers/Building Code
 - Bill Shelton, *DHCD*, spoke about how the sprinkler issue is going through the building code process at DHCD.

VII. Elections

- Senator Locke noted that elections for Chair and Vice-Chair of the Housing Commission will take place at this interim's final meeting on December 7, 2010.
- A discussion ensued about the timing of the elections.

VIII. Public Comment

- Mike Toalson, *Home Builder's Association*, spoke about the International Code Commission's agreement to include carbon monoxide detectors in newly built homes.

IX. Adjourn