

HBAV LEGISLATIVE BULLETIN

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SENATE BILL 768 - WAITS ACTION IN HOUSE COMMITTEE ON RULES

“Fairfax County Chamber of Commerce Urges Legislature to Reject SB 768”

There was no House Committee action on Senate Bill 768, the HBAV-backed proffer reform bill, this week. Last week the Senate of Virginia narrowly approved the measure, patroned by Senator John Watkins, on a 21 to 19 vote. Localities, and in a shock to many in the housing business, representatives of the Fairfax County Chamber of Commerce have continued to walk the halls of the General Assembly Building this week to urge the state legislature to reject the pro-business measure. Senate Bill 768 is supported by the State or Virginia State Chamber of Commerce.

Once Senate Bill 768 was communicated to the House of Delegates, the measure came under the control of the Speaker of the House, William J. Howell of the City of Fredericksburg and Stafford County. The Speaker of the House has the authority to assign bills to the House committee that originate in the House of Delegates and Senate Bills that are advanced to the lower chamber. Most legislative bills that affect local government and housing are assigned to the House Committee on Cities, Counties and Towns or CC&T.

That was not the case with Senate Bill 768. The controversial bill that is opposed by most every local government in Virginia, including Stafford County and the FFX Chamber was assigned to the House Rules Committee, which is chaired by Speaker Howell. Several bills of significant interest to the House Speaker have been assigned to his House Committee this year. Some have advanced to the full 100-member House and others have died at the hand of the House Speaker.

The good news is that Senator Watkins and Speaker Howell have both requested HBAV and the representatives of local governments to continue to meet to resolve the major differences in the legislation.

The bad news is that representatives of the Virginia Association of Counties, Virginia Municipal League and Coalition of Former High-Growth Localities walked out of negotiations with HBAV on Thursday of this week. Apparently they read and believed two newspaper reports suggesting that if an agreement could not be reached in the bill this week, it would likely be carried-over until the 2009 Session of the State Legislature. In other words, no agreement, no bill passage...their goal. SO MUCH FOR THE NOTION OF GOOD FAITH NEGOTIATIONS WITH THAT BUNCH!

Since the 2008 Session of the State Legislature convened in early January, HBAV has met nine times with the local government representatives, in good faith on our part, on the many provisions of SB 768, seeking a compromise that would benefit housing and localities. SO MUCH FOR THE NOTION OF GOOD FAITH NEGOTIATIONS WITH THAT BUNCH!

The Rules Committee of the House of Delegates next meets on Tuesday, March 26th. It is the Committee of the Speaker of the House Howell, and will most likely follow his Action Lead on bills assigned to his committee.

ACTION ALERT – ACTION ALERT – ACTION ALERT

NEVERTHELESS, every member of HBAV is URGED to immediately email or call their House Delegate in Richmond, if he serves on the House Committee on Rules. Urge them to vote for Senate Bill 768 next Tuesday afternoon. Email or call starting now, over the weekend and on Monday and Tuesday morning. We need many, many messages and phone calls to every member of the House Committee on Rules. Please be sure to start your message with your name and address. ***YOUR DELEGATE THAT SERVES ON THE HOUSE RULES COMMITTEE WILL NEED TO KNOW THAT YOU ARE A CONSTITUENT! Please encourage and urge all of your employees and members of your local association to email your local House Delegate that serves on the House Rules Committee today, over the weekend and on Monday and Tuesday morning.***

This ACTION STEP is especially important because the Localities and FFX chamber is urging the defeat of Senate Bill 768!!!

Tell your House Delegate that serves on the House Rules Committee that SB 768 will: (1) benefit local governments with a more consistent source of revenue for local schools, local roads and local public safety facilities from the private sector (residential and commercial developers); (2) will create more predictability of those costs and certainty for home builders and their buyers; (3) will benefit existing residents, since local governments will have a new consistent source of revenue for growth-related local public infrastructure; and (4) will help make housing more affordable for hard-working Virginians.

LISTED BELOW ARE THE RICHMOND OFFICE E-MAIL ADDRESSES AND THE RICHMOND OFFICE TELEPHONE NUMBERS OF THE MEMBERS OF THE HOUSE RULES COMMITTEE. IMMEDIATELY E-MAIL OR CALL THEM WITH THE FOUR POINTS OUTLINED ABOVE. BE SURE TO INCLUDE YOUR NAME AND VOTING ADDRESS ON YOUR EMAIL MESSAGE OR PHONE MESSAGE. THEY NEED TO KNOW THAT YOU ARE A CONSTITUENT. **YOUR EMAIL MESSAGE OR PHONE CALL WILL MAKE A DIFFERENCE NEXT TUESDAY!**

HOUSE COMMITTEE ON RULES

NAME		E-MAIL ADDRESS	PHONE NUMBER
William	Howell	mailto:delwhowell@house.state.va.us	804-698-1028
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BILL SUMMARY

Senate Bill 768, by Senator Watkins

“ALTERNATIVE INFRASTRUCTURE FUNDING LEGISLATION FOR RESIDENTIAL DEVELOPMENT”

For Residential Development, eliminate cash from the current Proffer System in Virginia. But, grandfather cash proffers which have been pledged in conjunction with a residential development, but have not been paid. Require a full credit for the value of any cash proffers contracted to be paid (for which impact fees could be imposed) against any subsequent impact fees that may be collected in conjunction with final subdivision or final site plan approval in conjunction with the same development. Retain the current cash proffer reporting system.

Allows on-site and off-site cash and non-cash proffers in conjunction with commercial development to continue.

Retain, but reform, the non-cash Proffer System for Residential Development to allow high-growth localities to continue to accept non-cash, on-site proffers in conjunction with residential development, and limited non-cash, off-site proffers (i.e. off-site road entrance improvements). Most off-site non-cash proffers would be prohibited. Includes a full-credit for the value of any

on-site proffers for which impact fees could be imposed against subsequent impact fees that may be collected in conjunction with final subdivision or final site plan approval of the same development.

Enact an Impact Fee Statute in Virginia for Public Roads, Public School Buildings and Public Safety Buildings (fire, rescue and police). Would “authorize, not require” all cities and high-growth (5% population growth between each 10-year census) localities, to enact an impact fee ordinance. If enacted by a locality, would apply to all residential and commercial rezonings and by-right residential and commercial development (so-called stale zoned land) within an impact fee service area at final subdivision or final site plan approval and recordation. Any subdivision or site plan having received final approval and has been recorded prior to adoption of an impact fee ordinance and the creation of an impact fee service area would not be subject to the impact fee statute.

The model for the Impact Fee statute would be the current road impact fee statute and its many planning requirements, capital improvement assessment requirements and capital improvement funding requirements, plus a cap. The cap could be adjusted annually based on an independent index. It is proposed that a cap of \$12,500 per single family detached unit would be established for localities within the Northern Virginia Transportation Authority area and \$7,500 per single family detached unit cap be established for the remainder of the Commonwealth. The attached housing cap would be 2/3 of that amount per unit and multi-family cap would 1/2 of that amount per unit.

Impact fees could only be imposed for public roads, public school buildings and public safety buildings (fire, police and emergency services) necessitated by and attributable to new subdivisions or new site plans. Only road and public safety impact fees could be imposed on commercial development.

All monies received within an impact fee service area would have to be disbursed within the same impact fee service area within 15 years.

The January, 2008 Fuller Study or “Analysis of Alternative Infrastructure Financing Sources” concluded that by enacting SB 768, substantially generated more cash revenues for local public facilities (roads, school buildings and public safety buildings) than would have been generated through the cash proffer system, in the past four years, in Chesterfield County and Prince William County. For Chesterfield County, more than \$72.5 million more would have been received, and in Prince William County, more than \$162.9 million more would have been received.

