



LEGISLATIVE & REGULATORY ADVOCACY

2021 - 2023

REDUCING BARRIERS TO RESIDENTIAL ECONOMIC DEVELOPMENT

BUILDING CODES

Reviewed over **180 building code proposals** during the 2021 Code Development Cycle and **defeated over 30 proposals** which would have led to significant additional cost to consumers and construction project delays. Defeated proposals include:

- Require Virginia adopt the full [2021 International Energy Conservation Code](#)
- Require [residential fire sprinkler systems](#) for new single-family homes and townhomes
- Prohibit natural gas in homes
- Increase wall insulation requirements to R-30 or R20+5
- Require new homes to have “bird friendly glass”, which the vast majority of manufacturers do not offer, requiring custom orders with 4 to 8 months lead time, at a cost of roughly \$1,900 per window

LAND DEVELOPMENT AND LOT SUPPLY LEGISLATION

Extension of Local Development Approvals ([HB 1665/ SB 1205](#)): Provides builders and developers an additional two years to act on approved permits and land-use approvals that were set to expire on July 1, 2023, avoiding the need to undergo the time-consuming and costly reapproval process.

Funding to Address Permitting Delays at the U.S. Army Corps of Engineers: Secured an additional [\\$8M in federal funding specifically to address staffing and budgetary constraints](#) at the U.S. Army Corps of Engineers Norfolk District Regulatory Branch.

Minimizing project delays caused by mitigation credit shortages: Passed legislation allowing developers to offset wetland and stream impacts by providing funds to the Department of Environmental Quality’s In-Lieu Fee program ([HB 1628](#)) and allowing developers to purchase mitigation credits from an larger geographic area ([HB 1983](#)). These bills will minimize costly project delays caused by mitigation credit shortages and the need for “on-site” mitigation.

VDOT Subdivision Street Requirements ([HB 275](#)): Reduces unnecessary infrastructure costs and enhances lot yields by providing developers with greater flexibility to reduce the number of subdivision street connections to adjacent property or highway networks.

“Residential-Ready” Sites & Structures ([SB 1114](#)): Establishes the *Virginia Residential Sites and Structures Locator* to assist residential developers and builders in identifying new development opportunities and for localities to promote any available land or structures suitable for residential or mixed-use development.

WORKFORCE DEVELOPMENT, LABOR, AND LICENSURE

Expand Access to Contractor Licensure: Passed [Universal License Recognition](#) (ULR) legislation, [which eliminates costly and time-intensive licensure requirements](#) for individuals who are already licensed in other states; Advocated for the DPOR to translate Virginia’s [contractor licensure exams and building code](#) into Spanish.

Licensure Exemption Threshold: Increased the contractor licensure exemption threshold from \$5,000 to \$25,000 per project. To qualify, an individual must be working on behalf of a licensed contractor and providing construction or home improvement services that do not require DPOR license or certification. Raising the threshold to \$25,000 has expanded access to employment opportunities in framing, masonry, material installation, and other construction services.



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DEVELOPMENT FINANCING TOOLS

Tax Credit Financing: Created the **Virginia Housing Opportunity Tax Credit (HOTC)** during the 2021 Session ([HB 810](#)) and increased the credit size from \$15M annually to \$60M annually during the 2022 Session ([SB 47](#)). Like the federal housing tax credit, the HOTC provides investors a dollar-for-dollar reduction in state tax liability in exchange for providing developers with funding for new residential developments. In its first year, the HOTC financed [nearly 600 affordable housing units](#) in six localities.

Local EDA Financing: Passed legislation allowing all local economic development authorities (EDAs) and industrial development authorities (IDAs) to finance new affordable housing developments ([HB 1194](#)).

ENHANCING TRANSPARENCY AND HOUSING POLICY DATA

VDOT Performance Metrics and Standards ([HB 482](#)): Allows the housing industry and the HBA of Virginia to identify bottlenecks in VDOT's plan review process by establishing *performance metrics* to measure the efficiency of the plan review process, and *performance standards* to set measurable goals and benchmarks for the review process. The HBA of Virginia will utilize these metrics to inform future legislative and regulatory initiatives.

Residential Land Development and Permit Fee Transparency ([HB 1671](#)): Provides insight into how local fees contribute to overall housing costs by requiring annual reporting by local governments on the amount of fees collected to review and permit every new residential development.

Local Housing Policy Transparency ([HB 2494](#)): Local policies and ordinances have a significant affect on development activity and housing supply, but state policymakers lack an efficient way to assess what local governments are doing – or not doing – to address housing supply and affordability issues. This legislation requires local governments to submit annual reports detailing any changes to local ordinances that effect residential land development and construction, including local proffer policies, zoning and subdivision ordinances, comprehensive plans, and more. This data will provide legislators with a better understanding of the major barriers to meeting the demand for housing.