

**1975 REPORT OF THE VIRGINIA HOUSING
STUDY COMMISSION**

**REPORTED TO
THE GOVERNOR
AND
GENERAL ASSEMBLY OF VIRGINIA**



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COMMONWEALTH of VIRGINIA

Virginia Housing Study Commission

THE HON. ALAN A. DIAMONSTEIN, CHAIRMAN
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THE HON. ROBERT E. WASHINGTON
THE HON. LAWRENCE DOUGLAS WILDER

STATE OF VIRGINIA
DEPARTMENT OF REVENUE
REVENUE DIVISION
HARRISON BUILDING
RICHMOND, VIRGINIA 23219

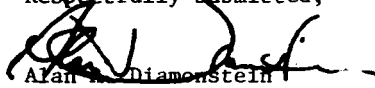
September , 1975

TO: The Honorable Mills E. Godwin, Jr.
Governor of Virginia
and
Members of the General Assembly of Virginia

Pursuant to the charges of the 1974 Virginia General
Assembly, I respectfully submit the 1975 Report of the Virginia
Housing Study Commission.

This report and its recommendations outline the
Commission's research into those areas affecting the exigent
state of housing in the Commonwealth.

Respectfully submitted,


Alan A. Diamonstein
Chairman

AAD/scf

MEMBERS OF THE VIRGINIA HOUSING STUDY COMMISSION

The Honorable Alan A. Diamonstein
Chairman
49th House of Delegates District

The Honorable Peter K. Babalas
5th Senatorial District

The Honorable Wyatt B. Durette, Jr.
18th House of Delegates District

The Honorable Clive L. Duval, 2d
32nd Senatorial District

The Honorable Lewis W. Parker, Jr.
29th House of Delegates District

The Honorable Ford C. Quillen
1st House of Delegates District

The Honorable Robert E. Washington
39th House of Delegates District

The Honorable Lawrence D. Wilder
9th Senatorial District

Governor's Appointees

Mr. Tiffany H. Armstrong
Richmond, Virginia

Mr. Roy H. Elrod
Triangle, Virginia

Mr. Beverly R. Middleton
Virginia Beach, Virginia

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INTRODUCTION

The 1974 Session of the Virginia General Assembly directed the Virginia Housing Study Commission to consider but not be limited to: "the supply of housing for college and university students and for persons and families displaced by public action; the elimination of legal, political, and environmental constraints to increases in the supply of housing; new community alternatives; problems associated with the ownership and rental of mobile homes and park sites and a more intensive examination of all relevant provisions of the laws of this State to determine whether or not existing laws are adequate to meet the present and future housing needs of all income levels in this State." Since 1974, the Commission has held two series of public hearings.

The Commission's Interim Report, submitted to the Governor and the General Assembly in November, 1974, contained various recommendations covering subjects presented in testimony at the first series of public hearings. Three of these were subsequently accepted by the Governor and the General Assembly:

1. the Mobile Home Lot Rental Act;
2. the Residential Ground Rent Act; and
3. a study of the Virginia Housing Authorities Law,

A second series of public hearings was conducted in the spring of 1975. This Report contains recommendations based on suggestions submitted by the public and private sectors--local governments, State agencies, private interest groups--appearing at the public hearings.

The State Board of Housing

The State Board of Housing and the State Office of Housing have responsibilities regarding housing in the Commonwealth--including establishing State housing policies and goals, coordinating the various State housing programs, and conducting public information and educational programs related to housing. The building code has been promulgated and progress has been made to ensure uniform enforcement across the State. However, much remains to be done, especially in the areas of education and coordination.

THE COMMISSION STRESSES THE NECESSITY OF A REASONABLE BUDGET FOR THE OFFICE OF HOUSING IN ORDER THAT IT MAY BETTER ACCOMPLISH THESE OBJECTIVES.

Rehabilitation

Since its inception in 1970, the Commission has been constantly confronted with governmental policies in need of alteration and improvement to realize the goal of "the opportunity for safe, decent and sanitary housing in an environment conducive to pleasant living for every Virginian." One prime way to accomplish this end is through

the rehabilitation of existing structures. To construct new housing is certainly important, but rehabilitation is a means that should not be ignored.

There seems to be a popular misconception that rehabilitation is principally for urban structures. The 1970 census shows that 17.3% of all occupied units in Virginia are substandard; the percentage in rural Virginia is disproportionately higher. Although many are deteriorated beyond the point of restoration, many can be preserved, greatly lessening the need for new construction in the future.

The Commission hopes that certain of their recommendations may indirectly help the process of rehabilitation by allowing greater flexibility with available monies. It urges the Virginia Housing Development Authority and local governments to make an effort to utilize existing resources and develop new resources to upgrade the caliber of existing housing in the Commonwealth. The Commission will likewise continue to seek more effective ways to promote rehabilitation.

Credit Clause

In 1974 the federal Housing and Community Development Act (CDA) was signed into law. This law provides a new method of distributing monies designed for housing purposes. As a result, localities which do not have a redevelopment and housing authority (RHA) are able for the first time to participate in public purpose housing projects.

However, there has also developed a number of restrictions that did not exist heretofore for those communities that do not have an RHA.

In order to guarantee that all localities in the Commonwealth can take full advantage of federal CDA money, the Commission

RECOMMENDS

THAT THE PRIVILEGES AND ELECTIONS COMMITTEES OF THE SENATE AND HOUSE STUDY THE FEASIBILITY OF AMENDING ARTICLE X, SECTION 10 OF THE STATE CONSTITUTION TO ALLOW ALL COMMUNITIES TO PARTICIPATE IN LOAN AND GRANT PROGRAMS TO LOW AND MODERATE INCOME RESIDENTS FOR PURPOSES OF HOME REHABILITATION.

Solar Energy

A unanimously favorable response was expressed by the Commission over the prospects of utilizing solar energy as a power source for the future. The Commission

RECOMMENDS

THAT THE STATE BOARD OF HOUSING LEAD THE WAY FOR THE IMPLEMENTATION OF SOLAR ENERGY AS A SOURCE OF POWER FOR THE FUTURE.

It is the Commission's hope that the State Board will take the necessary steps to eliminate any stumbling blocks to this end by providing industry and the public with information and by promulgating rules of regulation concerning solar energy.

Commission of the Virginia Housing Development Authority

To date, the Virginia Housing Development Authority (VHDA) is to be commended for the strides it has taken in the development of housing for low and moderate income persons.

It has made loans for direct construction of 1,285 single-family units and 2,678 multi-family units. In addition, the Authority has participated in the indirect financing of 3,932 units.

There has been a concern, however, about the lack of representation on the Commission of the VHDA of certain interests which are affected by its operation. Therefore, the Commission

RECOMMENDS

THAT THE COMMISSION OF THE VIRGINIA HOUSING DEVELOPMENT AUTHORITY BE INCREASED TO INCLUDE THREE REPRESENTATIVES FROM THE FINANCIAL SECTOR, THREE REPRESENTATIVES FROM THE CONSTRUCTION INDUSTRY, AND THREE REPRESENTATIVES FROM THE PUBLIC AT LARGE.

Community Development Authority

Late in the course of the 1975 public hearings concern was expressed by developers over the time lag experienced between conception and delivery of low and moderate income housing--developers presently must work through federal, State, and local funding mechanisms, sometimes taking as long as a year. A redevelopment and housing authority-type agency, called a community development authority, was proposed, with the power to provide 100% of a project's permanent financing through the sale of tax-exempt municipal bonds, thus streamlining the funding process.

Unfortunately, there was not enough time to research in sufficient depth the feasibility and ramifications of the establishment of such an agency. Therefore, the

Commission**RECOMMENDS****A STUDY OF THE FEASIBILITY OF ESTABLISHING A
COMMUNITY DEVELOPMENT AUTHORITY.****Centralization of State Housing Services**

From time to time there have been discussions over the need for a statewide administrative agency to coordinate various State programs and services affecting housing and housing-related industries. Included in the discussions have been expressions about the desirability of developing centralized service delivery to the citizens. The Commission is desirous of studying the practicability of such a coordinating agency. Be it therefore recommended

**THAT THE COMMISSION INVESTIGATE THE NEED
FOR THE DEVELOPMENT OF A CENTRAL HOUSING
SERVICE DELIVERY PROGRAM.**

Additional Recommendations

The following additional recommendations are submitted for deliberation to the Governor and the General Assembly; it is hoped that the realization of these recommendations will contribute to the Commonwealth's goal of "safe, decent and sanitary housing" for its citizens:

***AMEND THE VIRGINIA HOUSING AUTHORITIES LAW
TO CLARIFY THEIR POWERS TO MAKE GRANTS;**

***INVESTIGATE THE POSSIBILITY OF TAX RELIEF
FOR THE REHABILITATION OF EXISTING STRUCTURES
THROUGH THE INCOME TAX OR CONSTITUTIONAL
AMENDMENT;**

***ENACT A UNIFORM DEFINITION OF "MOBILE HOME";**

*ENDORSE THE IMPORTANCE OF THE TRANSPORTATION OF 14' WIDE INDUSTRIALIZED HOUSING UNITS, WITH SAFETY PRECAUTIONS OUTLINED, FOR INCREASING THE SUPPLY OF HOUSING AND FOR STIMULATING THE GENERAL ECONOMY;

*AMEND THE RESIDENTIAL LANDLORD AND TENANT ACT AS FOLLOWS:

COMMON LAW RIGHTS AND OBLIGATIONS REGARDING ASSIGNMENT AND SUBLEASE BE CODIFIED; AND LANDLORDS NOT BE ALLOWED TO REFUSE A REASONABLE SUBLESSEE WHENEVER HE AGREES TO SUBLEASE;

LANDLORDS BE REQUIRED TO RETURN THAT PORTION OF AN APPLICATION FEE ABOVE HIS ACTUAL COSTS;

LOCAL LANDLORD-TENANT COMMISSIONS BE EMPOWERED, AT THE OPTION OF LOCAL GOVERNING BODIES, TO ARBITRATE DISPUTES WHEN PARTIES VOLUNTARILY SUBMIT;

*REINTRODUCE THE RESOLUTION RECOMMENDING THAT STATE COLLEGES AND UNIVERSITIES PROVIDE ADEQUATE ON-CAMPUS HOUSING FOR STUDENTS, ASSIST THEM IN FINDING OFF-CAMPUS HOUSING, AND BUDGET FUNDS FOR PROVIDING FREE HOUSING PLACEMENT SERVICES; AND

*AMEND THE UNIFORM RELOCATION ACT TO REQUIRE THAT RELOCATION ASSISTANCE BE PAID IN ALL CASES OF THE EXERCISE OF EMINENT DOMAIN.

REDEVELOPMENT AND HOUSING AUTHORITIES

Redevelopment and housing authorities--over thirty in the State--play an important role in developing housing for the low and moderate income citizens of the Commonwealth. The redevelopment programs which they sponsor include:

the eradication of blighted commercial and residential property. . . the creation of a better roadway, land put to temporary use as much as possible, the establishing of parking, planting and beautification of undeveloped sites--then the eventual beautification of the entire area.

Statistics show increases in the tax base, the amount of private investment which has provided badly needed municipal facilities, the eradication of some of the worse seats of crime and degeneracy in a city and overall a considerably more healthy, attractive and useful environment than was present before redevelopment.*

In 1973, the General Assembly granted the power to local redevelopment and housing authorities to lend money to homeowners for rehabilitation purposes. Since then, a number of RHAs across the state have been participating in programs of loans and grants to residents of conservation districts for purposes of maintaining their homes at certain minimum standards.

*Whither Away Or Wither Away, Virginia
Association of Redevelopment and Housing Authorities

At least one city attorney has interpreted the Attorney General's recent opinion regarding Article X, Section 10 of the Constitution of Virginia to mean that programs of grants by an RHA are not permissible under current law.

Therefore, since programs of loans are permissible under § 36-49.1 of the Virginia Code, legislation is necessary to clarify the ability of the authorities to continue to participate in programs of loans and grants such as those established under Section 312 of the federal Housing and Urban Development Law.

Therefore, the Commission

RECOMMENDS

THAT THE VIRGINIA HOUSING AUTHORITIES LAW BE AMENDED TO ALLOW FOR THE ESTABLISHMENT OF GRANT PROGRAMS TO QUALIFIED HOMEOWNERS IN ACCORDANCE WITH A CONSERVATION PLAN.

TAX INCENTIVES FOR REHABILITATION

In 1974 the Virginia Housing Study Commission saw the need to study "tax incentives for rehabilitation." Increased taxes on a rehabilitated structure provide a disincentive for rehabilitation--the more liveable, acceptable dwelling is assessed at a higher value, thus raising the tax on the dwelling--which leads to the further depreciation of that structure. To help realize the goal of adequate housing for all Virginians, some way to combat this deterrent to rehabilitation must be instigated.

However, a direct property tax abatement appears to be unconstitutional--for any group but the elderly.

THE COMMISSION ENDORSES THE CONCEPT OF TAX INCENTIVES FOR THE REHABILITATION OF EXISTING STRUCTURES AND WILL INVESTIGATE THE POSSIBILITY OF TAX RELIEF FOR REHABILITATION THROUGH THE INCOME TAX OR CONSTITUTIONAL AMENDMENT.

INDUSTRIALIZED HOUSING

The 1974 Act to continue the Commission directs the Commission to study ways to provide "the Commonwealth's growing population with adequate housing." In order to obtain this objective, industrialized housing must play a major role.

Uniform Definition of Mobile Home

In its 1974 Interim Report, the Commission recommended that it consider the "development of a uniform definition of mobile home."

There are at least five different definitions of "mobile home" being used in the Code of Virginia. Invariably, confusion arises; it is a problem not only for the general public, but also for people who are enforcing the law.

For this reason, the Commission

RECOMMENDS

THE ENACTMENT OF A UNIFORM DEFINITION
OF "MOBILE HOME."

Transportation of Fourteen Foot Wide Housing Units

Recently the total number of housing starts has been decreasing, primarily because of rising costs of land acquisition, labor and materials for construction, and financing. Industrialized housing, which includes mobile

homes built under American National Standards Institute (ANSI) A119.1 and modular homes built under the One and Two Family Dwelling Code, has become an increasingly attractive alternative to site-built housing, particularly to young people, retired persons and veterans. Fourteen foot wide industrialized units provide 18% more living space than 12' wide units, at approximately 5% more cost. Forty-eight percent of all single family dwellings constructed in 1973 were mobile homes. Consumers are demanding more space; the industrialized housing industry would like to standardize the width of its units to 14 feet.

One concern over 14' wide units is the difficulty of their safe transportation from the factory to the home site. Critics maintain that 14' wide units are hazardous on the highways; however, statistics show that transportation of 14' wide industrialized housing is responsible for one-third fewer accidents per million miles travelled than passenger cars.*

All states surrounding the Commonwealth have approved or are considering the approval of the transportation of 14' wide units. Many firms in this State depend upon out of State sales. It would be to the detriment of the

*Statistics were compiled on mobile home transportation, but one may reasonably assume that the transportation of 14' wide modulars would be approximately the same--the width of the unit is the same.

Commonwealth's economy were the transportation of 14' wide units not allowed--surrounding states which do allow such transport will attract these industries. One of the main objectives of most states that allow 14' wide movement is to attract new industries and to encourage plant expansion. This kind of economic development creates more job opportunities, generates demand for goods and services and provides additional tax revenues for Virginia governments.

Therefore, the Commission

ENDORSES

THE APPROVAL OF THE TRANSPORTATION OF
14' WIDE HOUSING UNITS, WITH SAFETY
PRECAUTIONS OUTLINED, ON VIRGINIA
HIGHWAYS.

LANDLORD - TENANT AMENDMENTS

In 1974 the General Assembly enacted the Virginia Residential Landlord and Tenant Act. Since that time, much progress has been made toward improving landlord - tenant relations in the Commonwealth. Today the biggest obstacles to the smooth operation of the Act are a lack of familiarity with its provisions and a hesitation to use the courts to enforce it.

Nevertheless, in working with the Act various shortcomings have been identified. The Commission has reviewed numerous proposals for amendments, most of which clarify and expand upon the original legislative intent. The Commission supports many of these proposals. There have been several substantive proposals; three in particular the Commission recommends at this time.

Assignment and Sublease

The Act has been criticized for failing to address the rights and responsibilities of sublessees and assignors. These issues are a major source of complaints and questions today. Furthermore, many people are relying on the Act to the exclusion of common law in guiding their behavior.

Recognizing that the purpose of the Landlord and Tenant Act is to simplify, clarify, and modernize the law regarding landlords and tenants, the Commission

RECOMMENDS

THAT COMMON LAW RIGHTS AND OBLIGATIONS REGARDING ASSIGNMENT AND SUBLEASE BE CODIFIED; AND THAT LANDLORDS NOT BE ALLOWED TO REFUSE A REASONABLE SUBLESSEE.

Application Fees

It is becoming more common for landlords to collect fees from prospective tenants as a condition of application. This fee helps a landlord cover administrative costs incurred in credit checks and the like; also it discourages persons who are not serious applicants from incurring the landlord's time and money.

The Commission is concerned, however, about a few situations where landlords have collected sizeable application fees and refused to return them to an applicant. The Commission therefore

RECOMMENDS

THAT THE LANDLORD AND TENANT ACT BE AMENDED TO REQUIRE LANDLORDS TO RETURN THAT PORTION OF AN APPLICATION FEE ABOVE HIS ACTUAL COSTS.

Local Landlord - Tenant Commissions

In areas of the Commonwealth where there is a large percentage of renters, particularly in Northern Virginia, public interest in landlord - tenant relations is high. Local governing bodies are making extra efforts to

educate citizens of their legal rights and obligations by establishing special landlord - tenant boards or commissions. As a natural consequence, the number of disputes demanding attention of the courts is increasing in these localities. Many of these claims involve small amounts of money or relatively simple application of law and parties are usually anxious to resolve them with minimum effort. In order to promote efficient, inexpensive resolution of such disputes, the Commission

RECOMMENDS

THAT LOCAL LANDLORD - TENANT COMMISSIONS
BE EMPOWERED, AT THE OPTION OF LOCAL
GOVERNING BODIES, TO ARBITRATE DISPUTES
WHEN PARTIES VOLUNTARILY SUBMIT.

COLLEGE AND UNIVERSITY STUDENT HOUSING

College and university enrollments have grown in Virginia. Inflation pushes all housing costs up, and therefore many students have difficulty in finding adequate, inexpensive housing.

The major universities in Virginia differ in the quality and quantity of on-campus student housing, but inadequate on-campus housing in many college communities forces some students to seek private accommodations. As a relatively immobile, low income, transient class of tenants, students are often in a poor bargaining position with rental property owners in these communities.

Reaction to the apparent need for additional student housing is varied. At several institutions, students and administrators are re-examining their off-campus housing services; some schools are seeking temporary housing for students who arrive without firm housing plans. In addition, a few community colleges are experiencing a need to re-evaluate their position of not providing housing services. Because of varied curricula and large enrollment areas, some community college students are finding it difficult to commute daily from home and prefer to live nearer to campus.

In the 1973 Report, the Commission noted the need for "extensive study . . . on the supply of student housing at Virginia colleges and universities." The

1974 General Assembly directed the Commission to study student housing; of the six public hearings in that year, three were held on college campuses.

Based on testimony at the public hearings, the Commission in 1975 offered House Joint Resolution Number 203, containing certain ameliorative recommendations for State college and university students.

The problems of students seeking housing still exist. Therefore the Commission

RECOMMENDS

THAT EACH STATE COLLEGE AND UNIVERSITY IS REQUESTED TO MAKE SPECIFIC PLANS TO PROVIDE ADEQUATE ON-CAMPUS HOUSING AND ASSIST STUDENTS IN THE LOCATION OF OFF-CAMPUS HOUSING; AND THAT STATE COLLEGES AND UNIVERSITIES ARE REQUESTED TO BUDGET FUNDS FOR HOUSING PLACEMENT SERVICES.

AMENDMENT TO THE UNIFORM RELOCATION ACT

The Uniform Relocation Act requires agencies that acquire property by eminent domain with funds coming from state or federal governments to pay relocation expenses to persons displaced by public action. Agencies that acquire property with local funds need not pay this assistance. In the past, federal housing assistance carried with it a requirement that persons displaced in conjunction with community development programs be paid moving expenses.

Since Congress enacted the Housing and Community Development Act of 1974, block grant housing assistance money passes directly to local governments and becomes local funds for all purposes. In many areas, localities are not providing relocation assistance.

It is the sentiment of the Commission that persons displaced by the use of block grant funds, or any other local monies, are entitled to financial reimbursement. It therefore

RECOMMENDS

THAT THE UNIFORM RELOCATION ACT BE AMENDED
TO REQUIRE THAT RELOCATION ASSISTANCE BE PAID
IN ALL CASES OF THE EXERCISE OF EMINENT DOMAIN.

CONTROLLED GROWTH

Moratoria

Pursuant to House Joint Resolution 120 in 1974, one topic for consideration by the Commission was water and sewer moratoria--an ongoing subject of debate in the Commonwealth.

Commission members have reviewed the abundance of information on both sides of the dispute concerning growth policies in certain areas of the State, and have concluded that whether or not they sympathize with any one viewpoint, no legislative solution appears possible.

Sewer and water availability are only two issues of many to be dealt with when weighing the problem of planning for growth: other political, legal, and environmental aspects of land use come into play.

Land Use

There is presently a plethora of studies by both the public and private sectors dealing with land use. At present the State is involved in the following programs: the Southern Growth Policy Board, the Land Use Council, HUD's 701 Land Use Element, the Coastal Plains Regional Commission, the Coastal Zone Management Program, the Coastal Study Commission, and others.

In a statement of legislative concern, the State Board of Housing expressed the opinion that the major impediment to providing housing for Virginians is "the enactment and promulgation of ordinances by many localities restricting land use that have resulted in land acquisition costs out of proportion to reality, and therefore placing a detrimental and discriminatory hardship on the less advantaged of Virginia's citizens, and thereby decreasing the number of new housing starts in our State."

The Commission is cognizant of the importance of developing wise policies concerning land use--especially those relating to housing. But, being aware of the proliferation of studies in this area, the Commission does not propose another.

It intends, instead, to keep itself informed of these studies in the Commonwealth and in other States. Many pertinent questions are being asked in these studies, the answers to which will have a real impact on the future growth of this State.

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